

**WORK DRAFT**  
**NOT FOR DISTRIBUTION**

HB 2198-1  
(LC 1468)  
3/4/17 (MBM/ )

Requested by JOINT COMMITTEE ON MARIJUANA REGULATION

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2198**

1 On page 1 of the printed bill, line 23, after “475B.295,” insert  
2 “475B.298,”.

3 On page 2, line 3, delete “475B.517,”.

4 In line 5, after “475B.645,” insert “475B.655,”.

5 In line 12, after “475B.505,” insert “475B.517,”.

6 Delete lines 17 through 45 and delete pages 3 through 186 and insert:  
7

8 **“NAME OF COMMISSION AND ACCOUNT**

9 **“EFFECTIVE 91ST DAY AFTER ADJOURNMENT SINE DIE**

10

11 **“SECTION 1. (1)(a) The amendments to ORS 471.705 by section 2 of**  
12 **this 2017 Act are intended to change the name of the ‘Oregon Liquor**  
13 **Control Commission’ to the ‘Oregon Liquor Control and Cannabis**  
14 **Commission.’**

15 **“(b) For the purpose of harmonizing and clarifying statutory law,**  
16 **the Legislative Counsel may substitute for words designating the**  
17 **‘Oregon Liquor Control Commission,’ wherever they occur in statutory**  
18 **law, other words designating the ‘Oregon Liquor Control and Cannabis**  
19 **Commission.’**

20 **“(2)(a) The amendments to ORS 471.805 by section 3 of this 2017 Act**  
21 **are intended to change the name of the ‘Oregon Liquor Control Com-**

1 mission Account' to the 'Oregon Liquor Control and Cannabis Com-  
2 mission Account.'

3 "(b) For the purpose of harmonizing and clarifying statutory law,  
4 the Legislative Counsel may substitute for words designating the  
5 'Oregon Liquor Control Commission Account,' wherever they occur in  
6 statutory law, other words designating the 'Oregon Liquor Control and  
7 Cannabis Commission Account.'

8 "(3)(a) Notwithstanding subsections (1) and (2) of this section, the  
9 Oregon Liquor Control and Cannabis Commission may continue to use  
10 the names 'Oregon Liquor Control Commission' and 'Oregon Liquor  
11 Control Commission Account' for any purpose, including for use in  
12 any rule, document, record or proceeding of the commission or for use  
13 in any contract entered into by the commission, until June 30, 2019.

14  
15 "SECTION 2. ORS 471.705 is amended to read:

16 "471.705. (1) There is created the Oregon Liquor Control **and Cannabis**  
17 Commission, consisting of five [*persons*] **commissioners** appointed by the  
18 Governor. One member [*shall*] **must** be from among the [*bona fide*] residents  
19 of each congressional district of [*the*] **this** state. One member [*shall*] **must**  
20 be from the food and alcoholic beverage retail industry. Not more than three  
21 commissioners [*shall*] **may** be of the same political party [*and one shall be*  
22 *designated by*]. The Governor **shall designate one member** to be chair-  
23 person of the commission. The commissioners are entitled to compensation  
24 and expenses as provided in ORS 292.495.

25 "(2) Each commissioner at the time of appointment [*and qualification*  
26 *shall*] **must** be a resident of this state and [*shall*] **must** have resided in this  
27 state for at least five years next preceding appointment and qualification.  
28 [*The*] **Each** commissioner [*shall*] **must** be an elector [*therein*] **in this state**  
29 and **must be** not less than 30 years of age. [*A commissioner shall cease to*  
30 *hold office*] **The term of office of a commissioner terminates** if the com-

1 commissioner ceases to possess the residency or industry qualification for ap-  
2 pointment *[and]*. **If the term of office of a commissioner terminates**  
3 **under this subsection**, the Governor shall appoint a qualified individual to  
4 complete the unexpired term **of the commissioner**.

5 “*[(2)]* **(3)** The term of office of a commissioner *[shall be]* **is** four years from  
6 the time of appointment and qualification and until a successor qualifies **for**  
7 **appointment**. The terms of the commissioners *[shall]* commence April 1. *[In*  
8 *case any]* **If a** commissioner is allowed to hold *[over]* **office** after the expi-  
9 ration of *[the]* **a** term, the *[successor shall be appointed]* **Governor shall**  
10 **appoint the successor** for the *[balance]* **remainder** of the unexpired term.  
11 *[Vacancies in the commission shall be filled by the Governor for the unexpired*  
12 *term.]* **If a vacancy occurs in the commission, the Governor shall ap-**  
13 **point the successor for the remainder of the unexpired term.** Each  
14 commissioner is eligible for reappointment, but *[no person shall be]* **an in-**  
15 **dividual is not** eligible to serve for more than two full terms.

16 “*[(3)]* **(4)** *[All]* Appointments of commissioners by the Governor **under**  
17 **this section** are subject to confirmation by the Senate pursuant to section  
18 4, Article III, Oregon Constitution.

19 “**SECTION 3.** ORS 471.805 is amended to read:

20 “471.805. (1) Except as otherwise provided in ORS 471.810 (2), all money  
21 collected by the Oregon Liquor Control **and Cannabis** Commission under  
22 this chapter and ORS chapter 473 and privilege taxes shall be remitted to the  
23 State Treasurer who shall credit it to a suspense account of the commission.  
24 Whenever the commission determines that moneys have been received by it  
25 in excess of the amount legally due and payable to the commission or that  
26 it has received money to which it has no legal interest, or that any license  
27 fee or deposit is properly refundable, the commission is authorized and di-  
28 rected to refund such money by check drawn upon the State Treasurer and  
29 charged to the suspense account of the commission. After withholding  
30 refundable license fees and such sum, not to exceed \$250,000, as it considers

1 necessary as a revolving fund for a working cash balance for the purpose of  
2 paying travel expenses, advances, other miscellaneous bills and extraordinary  
3 items which are payable in cash immediately upon presentation, the com-  
4 mission shall direct the State Treasurer to transfer the money remaining in  
5 the suspense account to the Oregon Liquor Control **and Cannabis** Commis-  
6 sion Account in the General Fund. Moneys in the Oregon Liquor Control  
7 **and Cannabis** Commission Account are continuously appropriated to the  
8 commission to be distributed and used as required or allowed by law.

9 “(2) All necessary expenditures of the commission incurred in carrying  
10 out the purposes required of the commission by law, including the salaries  
11 of its employees, purchases made by the commission and such sums necessary  
12 to reimburse the \$250,000 revolving fund, shall be audited and paid from the  
13 Oregon Liquor Control **and Cannabis** Commission Account in the General  
14 Fund, upon warrants drawn by the Oregon Department of Administrative  
15 Services, pursuant to claims duly approved by the commission.

16  
17 **THE OREGON MEDICAL MARIJUANA ACT**

18  
19 (Transitional Provisions)

20 (Effective 91st Day After Adjournment ~~Since Day~~)

21  
22 **“SECTION 4. (1) Notwithstanding ORS 475B.415, 475B.420, 475B.435**  
23 **and 475B.450, on and after the effective date of this 2017 Act, the**  
24 **Oregon Health Authority may not register a marijuana grow site un-**  
25 **der ORS 475B.420, a marijuana processing site under ORS 475B.435 or**  
26 **a medical marijuana dispensary under ORS 475B.450.**

27 **(2) This section does not prohibit, before the operative date specified**  
28 **in section 357 of this 2017 Act, the authority from renewing the regis-**  
29 **tration of a marijuana grow site registered under ORS 475B.420, a**  
30 **marijuana processing site registered under ORS 475B.435 or a medical**

1 necessary as a revolving fund for a working cash balance for the purpose of  
2 paying travel expenses, advances, other miscellaneous bills and extraordinary  
3 items which are payable in cash immediately upon presentation, the com-  
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11 of its employees, purchases made by the commission and such sums necessary  
12 to reimburse the \$250,000 revolving fund, shall be audited and paid from the  
13 Oregon Liquor Control **and Cannabis** Commission Account in the General  
14 Fund, upon warrants drawn by the Oregon Department of Administrative  
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25 **der ORS 475B.420, a marijuana processing site under ORS 475B.435 or**  
26 **a medical marijuana dispensary under ORS 475B.450.**

27 **(2) This section does not prohibit, before the operative date specified**  
28 **in section 357 of this 2017 Act, the authority from renewing the regis-**  
29 **tration of a marijuana grow site registered under ORS 475B.420, a**  
30 **marijuana processing site registered under ORS 475B.435 or a medical**

1 marijuana dispensary registered under ORS 475B.450.

2 **“SECTION 5. On the operative date specified in section 357 of this**  
3 **2017 Act, the exemption from criminal liability for possession, delivery**  
4 **or manufacture of marijuana, aiding and abetting another in the pos-**  
5 **session, delivery or manufacture of marijuana, or any other criminal**  
6 **offense in which possession, delivery or manufacture of marijuana is**  
7 **an element ceases for:**

8 **“(1) A person who is responsible for or is employed by a marijuana**  
9 **grow site registered under ORS 475B.420.**

10 **“(2) A person who owns, is responsible for or is employed by a**  
11 **marijuana processing site registered under ORS 475B.435.**

12 **“(3) A person who owns, is responsible for or is employed by a**  
13 **medical marijuana dispensary registered under ORS 475B.450.**

14 **“SECTION 6. Section 25, chapter 24, Oregon Laws 2016, is amended to**  
15 **read:**

16 **“Sec. 25. (1) The Oregon Liquor Control and Cannabis Commission shall**  
17 **adopt by rule procedures by which:**

18 **“(a) A person responsible for a marijuana grow site registered under ORS**  
19 **475B.420, or, if multiple persons responsible for a marijuana grow site reg-**  
20 **istered under ORS 475B.420 are located at the same address, each person**  
21 **responsible for a marijuana grow site located at the address, may apply for**  
22 **a license to be issued under ORS 475B.070 to transition, before the oper-**  
23 **ative date specified in section 357 of this 2017 Act, from being registered**  
24 **by the Oregon Health Authority to being licensed by the commission;**

25 **“(b) A marijuana processing site registered under ORS 475B.435 may apply**  
26 **for a license to be issued under ORS 475B.090 to transition, before the**  
27 **operative date specified in section 357 of this 2017 Act, from being reg-**  
28 **istered by the authority to being licensed by the commission; and**

29 **“(c) A medical marijuana dispensary registered under ORS 475B.450 may**  
30 **apply for a license to be issued under ORS 475B.110 to transition, before**

1 **the operative date specified in section 357 of this 2017 Act**, from being  
2 registered by the authority to being licensed by the commission.

3 “(2)(a) In adopting rules under this section, the commission shall adopt,  
4 at a minimum, procedures by which the inventory possessed by a person re-  
5 sponsible for a marijuana grow site, a marijuana processing site or a medical  
6 marijuana dispensary on the date on which the person responsible for a  
7 marijuana grow site, the marijuana processing site or the medical marijuana  
8 dispensary is first subject to tracking by the commission under ORS  
9 475B.150:

10 “(A) May be delivered [*to a premises for which a license has been issued*  
11 *under ORS 475B.090, 475B.100 or 475B.110*] **as allowed under ORS**  
12 **475B.160**; or

13 “(B) May be sold to consumers by marijuana retailers that hold a license  
14 **issued** under ORS 475B.110.

15 “(b) Procedures adopted under this subsection must require a person re-  
16 sponsible for a marijuana grow site registered under ORS 475B.420, or, if  
17 multiple persons responsible for a marijuana grow site registered under ORS  
18 475B.420 are located at the same address, each person responsible for a  
19 marijuana grow site located at the address, to return to an individual to  
20 whom a registry identification card has been issued under ORS 475B.415, and  
21 for whom the person or persons are producing marijuana, all the marijuana  
22 and usable marijuana owned by the individual, except as otherwise allowed  
23 under a personal agreement entered into under ORS 475B.425[.]:

24 “(A) At the time that the person or the persons receive a license under  
25 ORS 475B.070; or

26 “(B) **Before the operative date specified in section 357 of this 2017**  
27 **Act.**

28 “**SECTION 7. Sections 8 to 10 of this 2017 Act are added to and made**  
29 **a part of ORS 475B.010 to 475B.395.**

30 “**SECTION 8. (1) On or before the operative date specified in section**

1 357 of this 2017 Act, the Oregon Liquor Control and Cannabis Com-  
2 mission shall issue a license to, or deny issuance of a license to, any  
3 person applying for licensure under ORS 475B.040 if:

4 “(a) The person is applying for a license to produce marijuana under  
5 ORS 475B.070;

6 “(b) The premises for which licensure is sought is a premises that  
7 is registered as a marijuana grow site under ORS 475B.420;

8 “(c) The premises for which licensure is sought is used to produce  
9 25 or more than 25 mature marijuana plants on the date that the  
10 person applies for licensure; and

11 “(d) The person applies for licensure on or before November 15, 2017.

12 “(2) The Oregon Liquor Control and Cannabis Commission is not  
13 obligated to issue a license to, or deny issuance of a license to, a per-  
14 son applying for licensure under ORS 475B.040 if the person does not  
15 apply for licensure on or before November 15, 2017.

16 SECTION 9. (1) The Oregon Liquor Control and Cannabis Com-  
17 mission shall issue a pre-licensure operations certificate to any person  
18 applying for licensure under ORS 475B.040 if:

19 “(a) The person is applying for a license to produce marijuana under  
20 ORS 475B.070;

21 “(b) The premises for which licensure is sought is a premises that  
22 is registered as a marijuana grow site under ORS 475B.420;

23 “(c) The premises for which licensure is sought is used to produce  
24 24 or fewer than 24 mature marijuana plants on the date that the  
25 person applies for licensure; and

26 “(d) The person applies for licensure on or before November 15, 2017.

27 “(2) The commission shall use the system developed and maintained  
28 pursuant to ORS 475B.150 to track the production of marijuana and the  
29 sale or transfer of usable marijuana by a person certified under this  
30 section.



1       **“(3)(a) On the date that the commission begins tracking the pro-**  
2 **duction of marijuana and the sale or transfer of usable marijuana by**  
3 **a person certified under this section, the person:**

4       **“(A) Has all of the rights and privileges prescribed by ORS 475B.010**  
5 **to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 for a**  
6 **marijuana producer that holds a license issued under ORS 475B.070,**  
7 **including the rights and privileges related to delivering and receiving**  
8 **marijuana items as described in ORS 475B.160;**

9       **“(B) Except as provided in paragraph (b) of this subsection, has all**  
10 **of the duties prescribed by ORS 475B.010 to 475B.395, 475B.550 to**  
11 **475B.590 and 475B.600 to 475B.655 for a marijuana producer that holds**  
12 **a license issued under ORS 475B.070; and**

13       **“(C) Except as provided in paragraph (b) of this subsection, is sub-**  
14 **ject to all of the provisions of ORS 475B.010 to 475B.395, 475B.550 to**  
15 **475B.590 and 475B.600 to 475B.655 and all of the rules adopted under**  
16 **ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655**  
17 **in the same manner that a marijuana producer that holds a license**  
18 **issued under ORS 475B.070 is subject those provisions and rules.**

19       **“(b) The commission by rule may exclude a person certified under**  
20 **this section from a duty, provision or rule described in paragraph**  
21 **(a)(B) or (C) of this subsection.**

22       **“(4)(a) The commission may discipline a person certified under this**  
23 **section for violating a duty, provision or rule described in subsection**  
24 **(3)(a)(B) or (C) of this section.**

25       **“(b) Disciplinary action taken under this subsection may take the**  
26 **form of revoking a certificate issued under this section.**

27       **“(c) If the commission revokes a certificate issued under this sec-**  
28 **tion, the commission shall provide the person against whom discipli-**  
29 **nary action is sought a hearing.**

30       **“(d) A hearing held under this subsection is not subject to the re-**

1 requirements for contested case proceedings under ORS chapter 183.

2 “(5) Notwithstanding section 5 of this 2017 Act, if the commission  
3 has not issued a license to, or denied issuance of a license to, a person  
4 certified under this section by the operative date specified in section  
5 357 of this 2017 Act, the person remains exempt from criminal liability  
6 for possession, delivery or manufacture of marijuana, aiding and  
7 abetting another in the possession, delivery or manufacture of  
8 marijuana, or any other criminal offense in which possession, delivery  
9 or manufacture of marijuana is an element, until the commission:

10 (a) Issues a license to, or denies issuance of a license to, the person;  
11 or

12 (b) Revokes the certificate issued to the person.

13 **SECTION 10.** (1) A premises is not subject to ORS 475B.063 or any  
14 land use ordinance or rule of a local government that would otherwise  
15 prohibit or restrict the production of marijuana on the premises if:

16 “(a) The premises is registered as a marijuana grow site under ORS  
17 475B.420 on the date immediately preceding the date on which the  
18 Oregon Liquor Control and Cannabis Commission issues a license to  
19 produce marijuana on the premises;

20 “(b) The premises is used to lawfully produce 24 or fewer than 24  
21 mature marijuana plants on the date immediately preceding the date  
22 on which the commission issues a license to produce marijuana on the  
23 premises;

24 “(c) The grow canopy used to produce mature marijuana plants on  
25 the premises does not exceed 2,500 square feet, on and after the date  
26 on which the commission issues a license to produce marijuana on the  
27 premises; and

28 “(d) The license to produce marijuana on the premises does not  
29 lapse and is not suspended or revoked, on and after the date on which  
30 the commission issues a license to produce marijuana on the premises.

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**(Plant Limits)**  
**(Effective 91st Day Following Adjournment Sine Die)**

**“SECTION 11.** Section 12 of this 2017 Act is added to and made a part of ORS 475B.400 to 475B.525.

**“SECTION 12.** (1) The number of mature marijuana plants that a registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess under ORS 475B.428, and the amount of usable marijuana that a registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess under ORS 475B.430, is in addition to, and not in lieu of, the number of marijuana plants and the amount of usable marijuana that may be possessed at a household as described in ORS 475B.245.

**“(2)** The number of immature marijuana plants and amount of medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts that a registry identification cardholder or designated primary caregiver of a registry identification cardholder may possess under ORS 475B.400 to 475B.525 are not limited by ORS 475B.245.

**(Amendments)**  
**(Effective 91st Day After Adjournment Sine Die)**

**“SECTION 13.** ORS 475B.410 is amended to read:

**“475B.410.** As used in ORS 475B.400 to 475B.525:

**“(1)** ‘Attending physician’ means a physician licensed under ORS chapter 677 who has primary responsibility for the care and treatment of a person

1 diagnosed with a debilitating medical condition.

2 “(2) ‘Cannabinoid’ means any of the chemical compounds that are the  
3 active constituents of marijuana.

4 “(3) ‘Cannabinoid concentrate’ means a substance obtained by separating  
5 cannabinoids from marijuana by:

6 “(a) A mechanical extraction process;

7 “(b) A chemical extraction process using a nonhydrocarbon-based solvent,  
8 such as **water**, vegetable glycerin, vegetable oils, animal fats, isopropyl al-  
9 cohol or ethanol;

10 “(c) A chemical extraction process using [*the hydrocarbon-based solvent*]  
11 carbon dioxide, provided that the process does not involve the use of high  
12 heat or pressure; or

13 “(d) Any other process identified by the Oregon Health Authority, in  
14 consultation with the Oregon Liquor Control **and Cannabis** Commission, by  
15 rule.

16 “(4) ‘Cannabinoid edible’ means food or potable liquid into which a  
17 cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of  
18 marijuana have been incorporated.

19 “(5) ‘Cannabinoid extract’ means a substance obtained by separating  
20 cannabinoids from marijuana by:

21 “(a) A chemical extraction process using a hydrocarbon-based solvent,  
22 such as butane, hexane or propane;

23 “(b) A chemical extraction process using [*the hydrocarbon-based solvent*]  
24 carbon dioxide, if the process uses high heat or pressure; or

25 “(c) Any other process identified by the [*Oregon Health*] authority, in  
26 consultation with the [*Oregon Liquor Control*] commission, by rule.

27 “(6) ‘Debilitating medical condition’ means:

28 “(a) Cancer, glaucoma, a degenerative or pervasive neurological condi-  
29 tion, positive status for human immunodeficiency virus or acquired immune  
30 deficiency syndrome, or a side effect related to the treatment of those med-

1 ical conditions;

2 “(b) A medical condition or treatment for a medical condition that  
3 produces, for a specific patient, one or more of the following:

4 “(A) Cachexia;

5 “(B) Severe pain;

6 “(C) Severe nausea;

7 “(D) Seizures, including seizures caused by epilepsy; or

8 “(E) Persistent muscle spasms, including spasms caused by multiple  
9 sclerosis;

10 “(c) Post-traumatic stress disorder; or

11 “(d) Any other medical condition or side effect related to the treatment  
12 of a medical condition adopted by the Oregon Health Authority by rule or  
13 approved by the authority pursuant to a petition filed under ORS 475B.517.

14 “(7)(a) ‘Delivery’ has the meaning given that term in ORS 475.005.

15 “(b) ‘Delivery’ does not include transfer of marijuana by a registry iden-  
16 tification cardholder to another registry identification cardholder if no con-  
17 sideration is paid for the transfer.

18 “(8)(a) ‘Designated primary caregiver’ means an individual:

19 “(A) Who is 18 years of age or older;

20 “(B) Who has significant responsibility for managing the well-being of a  
21 person who has been diagnosed with a debilitating medical condition; and

22 “(C) Who is designated as the person responsible for managing the well-  
23 being of a person who has been diagnosed with a debilitating medical con-  
24 dition on that person’s application for a registry identification card or in  
25 other written notification submitted to the authority.

26 “(b) ‘Designated primary caregiver’ does not include a person’s attending  
27 physician.

28 “(9) ‘High heat’ means a temperature exceeding 180 degrees.

29 “(10) ‘Immature marijuana plant’ means a marijuana plant that is not  
30 flowering.

1       “(11)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any  
2 part of the plant Cannabis family Cannabaceae and the seeds of the plant  
3 Cannabis family Cannabaceae.

4       “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS  
5 571.300.

6       “(12) ‘Marijuana grow site’ means a location registered under ORS  
7 475B.420 where marijuana is produced for use by a registry identification  
8 cardholder.

9       “(13) ‘Marijuana processing site’ means a marijuana processing site reg-  
10 istered under ORS 475B.435 or a site for which an applicant has submitted  
11 an application for registration under ORS 475B.435.

12       “(14) ‘Mature marijuana plant’ means a marijuana plant that is not an  
13 immature marijuana plant.

14       “(15)(a) ‘Medical cannabinoid product’ means a cannabinoid edible and  
15 any other product intended for human consumption or use, including a  
16 product intended to be applied to a person’s skin or hair, that contains  
17 cannabinoids or dried leaves or flowers of marijuana.

18       “(b) ‘Medical cannabinoid product’ does not include:

19       “(A) Usable marijuana by itself;

20       “(B) A cannabinoid concentrate by itself;

21       “(C) A cannabinoid extract by itself; or

22       “(D) Industrial hemp, as defined in ORS 571.300.

23       “(16) ‘Medical marijuana dispensary’ means a medical marijuana  
24 dispensary registered under ORS 475B.450 or a site for which an applicant  
25 has submitted an application for registration under ORS 475B.450.

26       “(17) ‘Medical use of marijuana’ means the production, processing, pos-  
27 session, delivery or administration of marijuana, or use of paraphernalia  
28 used to administer marijuana, to mitigate the symptoms or effects of a de-  
29 bilitating medical condition.

30       “(18) ‘Person designated to produce marijuana by a registry identification

1 cardholder' means a person designated to produce marijuana by a registry  
2 identification cardholder under ORS 475B.420 who produces marijuana for a  
3 registry identification cardholder at an address other than the address where  
4 the registry identification cardholder resides or at an address where more  
5 than 12 mature marijuana plants are produced.

6 "(19) 'Process' means the compounding or conversion of marijuana into  
7 medical cannabinoid products, cannabinoid concentrates or cannabinoid ex-  
8 tracts.

9 "(20) 'Production' means:

10 "(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

11 "(b) Drying marijuana leaves or flowers.

12 "(21) 'Registry identification card' means a document issued by the  
13 Oregon Health Authority under ORS 475B.415 that identifies a person au-  
14 thorized to engage in the medical use of marijuana and, if the person has a  
15 designated primary caregiver under ORS 475B.418, the person's designated  
16 primary caregiver.

17 "(22) 'Registry identification cardholder' means a person to whom a reg-  
18 istry identification card has been issued under ORS 475B.415.

19 "(23)(a) 'Usable marijuana' means the dried leaves and flowers of  
20 marijuana.

21 "(b) 'Usable marijuana' does not include:

22 "(A) The seeds, stalks and roots of marijuana; or

23 "(B) Waste material that is a by-product of producing marijuana.

24 "(24) 'Written documentation' means a statement signed by the attending  
25 physician of a person diagnosed with a debilitating medical condition or  
26 copies of the person's relevant medical records.

27 "**SECTION 14.** ORS 475B.505 is amended to read:

28 "475B.505. Upon request the State Department of Agriculture and the  
29 Oregon Liquor Control **and Cannabis** Commission, pursuant to an agree-  
30 ment or otherwise, shall assist the Oregon Health Authority in implementing

1 and enforcing the provisions of ORS 475B.400 to 475B.525 and rules adopted  
2 under the provisions of ORS 475B.400 to 475B.525.

3 **“SECTION 15.** ORS 475B.507 is amended to read:

4 “475B.507. The Oregon Health Authority, the State Department of Agri-  
5 culture and the Oregon Liquor Control **and Cannabis** Commission, and the  
6 officers, employees and agents of the authority, department and commission,  
7 are immune from any cause of action for the performance of, or the failure  
8 to perform, duties required by ORS 475B.400 to 475B.525.

9 **“SECTION 16.** ORS 475B.510 is amended to read:

10 “475B.510. The Oregon Health Authority, the State Department of Agri-  
11 culture and the Oregon Liquor Control **and Cannabis** Commission may  
12 possess, seize or dispose of marijuana, usable marijuana, medical cannabinoid  
13 products, cannabinoid concentrates and cannabinoid extracts as is necessary  
14 for the authority to ensure compliance with and enforce the provisions of  
15 ORS 475B.400 to 475B.525 and any rule adopted under ORS 475B.400 to  
16 475B.525.

17

18 **(Medical Use of Cannabis Board as Advisory Body)**

19 **(Operative January 1, 2018)**

20

21 **“SECTION 17.** Section 13 is added to and made a part of ORS  
22 **475B.400 to 475B.525.**

23 **“SECTION 18. (1) For the purpose of advising the Oregon Health**  
24 **Authority with respect to administering ORS 475B.400 to 475B.525, the**  
25 **Medical Use of Cannabis Board is established within the Oregon Health**  
26 **Authority.**

27 **“(2)(a) The board consists of the following nine members appointed**  
28 **by the Governor:**

29 **“(A) Three licensees, as defined in ORS 475B.015, each of whom is**  
30 **primarily engaged in the production, processing or sale of medical**



1 **grade cannabinoid products, cannabinoid concentrates or cannabinoid**  
2 **extracts, as those terms are defined in ORS 475B.015;**

3 **“(B) Three attending physicians; and**

4 **“(C) Three members of the public.**

5 **“(b) Of the members appointed to the board under this subsection,**  
6 **at least one must be registry identification cardholder, but not more**  
7 **than three may be registry identification cardholders.**

8 **“(3) The board shall provide the authority with advice on adminis-**  
9 **tering and enforcing ORS 475B.400 to 475B.525.**

10 **“(4) A majority of the members of the board constitutes a quorum**  
11 **for the transaction of business.**

12 **“(5) Official action by the board requires the approval of a majority**  
13 **of the members of the board.**

14 **“(6) The board shall elect one of its members to serve as chair-**  
15 **person.**

16 **“(7) The board shall meet at times and places specified by the call**  
17 **of the chairperson or of a majority of the members of the board.**

18 **“(8) The term of office of each member of the board is four years,**  
19 **but a member serves at the pleasure of the Governor. Before the ex-**  
20 **piration of the term of a member, the Governor shall appoint a suc-**  
21 **cessor whose term begins July 1 next following. A member is eligible**  
22 **for reappointment, but may not serve consecutive terms. If there is**  
23 **a vacancy for any cause, the Governor shall make an appointment to**  
24 **become immediately effective for the unexpired term.**

25 **“(9) Members of the board are entitled to compensation and re-**  
26 **imbursement for expenses as provided in ORS 292.495.**

27 **“SECTION 19. Notwithstanding the term of office specified by sec-**  
28 **tion 18 of this 2017 Act, of the members first appointed to the Medical**  
29 **Use of Cannabis Board:**

30 **“(1) Three shall serve for terms ending January 1, 2020;**

1       **“(2) Three shall serve for terms ending January 1, 2021; and**

2       **“(3) Three shall serve for terms ending January 1, 2022.**

3  
4                   **(Registry Identification Cardholder Database)**

5                   **(Operative January 1, 2018)**

6  
7       **“SECTION 20. Section 21 of this 2017 Act is added to and made a**  
8 **part of ORS 475B.400 to 475B.525.**

9       **“SECTION 21. (1) The Oregon Health Authority shall establish,**  
10 **maintain and operate an electronic system for the keeping of infor-**  
11 **mation received by the authority under ORS 475B.415 or included on**  
12 **a registry identification card issued under ORS 475B.415.**

13       **“(2) The authority may contract with a state agency or private en-**  
14 **tity to ensure the effective establishment, maintenance or operation**  
15 **of the electronic system.**

16       **“(3) Except as provided in subsection (4) of this section, information**  
17 **kept in the electronic system is confidential and not subject to public**  
18 **disclosure under ORS 192.410 to 192.505. Except as provided in sub-**  
19 **section (4) of this section, the authority may not disclose the infor-**  
20 **mation for any reason.**

21       **“(4) The authority shall establish the electronic system in a manner**  
22 **that allows the Oregon Liquor Control and Cannabis Commission and**  
23 **the Department of Revenue to remotely access the electronic system.**  
24 **Information disclosed to the commission and the department under**  
25 **this subsection remains confidential and not subject to public disclo-**  
26 **sure under ORS 192.410 to 192.505. The commission and the department**  
27 **may not disclose the information for any reason.**

28       **“(5) The electronic system must be immediately accessible by the**  
29 **commission and the department 24 hours a day, seven days a week.**

30

1 (Medical Use of Cannabis Board as Rulemaking Body)

2 (Operative March 30, 2019)

3  
4 **“SECTION 22.** Section 18 of this 2017 Act is amended to read:

5 **“Sec. 13.** (1) For the purpose of [*advising the Oregon Health Authority*  
6 *with respect to*] administering ORS 475B.400 to 475B.525, the Medical Use of  
7 Cannabis Board is established within the Oregon Health Authority.

8 “(2)(a) The board consists of the following nine members appointed by the  
9 Governor:

10 “(A) Three licensees, as defined in ORS 475B.015, each of whom is pri-  
11 marily engaged in the production, processing or sale of medical grade  
12 cannabinoid products, cannabinoid concentrates or cannabinoid extracts, as  
13 those terms are defined in ORS 475B.015;

14 “(B) Three attending physicians; and

15 “(C) Three members of the public.

16 “(b) Of the members appointed to the board under this subsection, at least  
17 one, but not more than three, must be registry identification cardholders.

18 “[3] **(3)(a)** The board shall [*provide the authority with advice on ad-*  
19 *ministering and enforcing ORS 475B.400 to 475B.525.*]:

20 **“(A) Administer and enforce ORS 475B.400 to 475B.525.**

21 **“(B) Adopt by rule a process by which a registry identification**  
22 **cardholder may petition the board to receive more than three pounds**  
23 **of usable marijuana per year or more than 240 grams of cannabinoid**  
24 **extracts per year pursuant to ORS 475B.070, 475B.090 and 475B.110 and**  
25 **sections 2, 3 and 5, chapter 83, Oregon Laws 2016.**

26 **(b) If the board determines that a registry identification**  
27 **cardholder’s debilitating medical condition and economic situation**  
28 **necessitate the registry identification cardholder receiving more than**  
29 **three pounds of usable marijuana per year or more than 240 grams of**  
30 **cannabinoid extracts per year pursuant to ORS 475B.070, 475B.090 and**

1 **475B.110 and sections 2, 3 and 5, chapter 83, Oregon Laws 2016, the**  
2 **board shall issue an order specifying the amount of usable marijuana**  
3 **or cannabinoid extracts that the registry identification cardholder may**  
4 **receive.**

5 **(c) The board shall provide the Oregon Liquor Control and Cannabis**  
6 **Commission with a copy of an order issued under this subsection.**

7 **“(4) The board may exercise any function or power necessary to**  
8 **administer and enforce ORS 475B.400 to 475B.525, including the power**  
9 **to administer oaths, take depositions and issue subpoenas to compel**  
10 **the attendance of witnesses and the production of documents and**  
11 **other written information.**

12 **“(5) The board may delegate to the authority any of the functions,**  
13 **duties or powers delegated to the board under ORS 475B.400 to**  
14 **475B.525, except that the board may not delegate any function, duty**  
15 **or power related to the adoption of rules under ORS 475B.400 to**  
16 **475B.525.**

17 **“[(4)] (6) A majority of the members of the board constitutes a quorum**  
18 **for the transaction of business.**

19 **“[(5)] (7) Official action by the board requires the approval of a majority**  
20 **of the members of the board.**

21 **“[(6)] (8) The board shall elect one of its members to serve as chairperson.**

22 **“[(7)] (9) The board shall meet at times and places specified by the call**  
23 **of the chairperson or of a majority of the members of the board.**

24 **“[(8)] (10) The term of office of each member of the board is four years,**  
25 **but a member serves at the pleasure of the Governor. Before the expiration**  
26 **of the term of a member, the Governor shall appoint a successor whose term**  
27 **begins July 1 next following. A member is eligible for reappointment, but**  
28 **may not serve consecutive terms. If there is a vacancy for any cause, the**  
29 **Governor shall make an appointment to become immediately effective for the**  
30 **unexpired term.**

1 “[(9)] (11) Members of the board are entitled to compensation and re-  
2 imbursement for expenses as provided in ORS 292.495.

3 **“SECTION 23.** The rules of the Oregon Health Authority adopted  
4 under ORS 475B.400 to 475B.525 that are in effect on the operative date  
5 specified in section 357 of this 2017 Act continue in effect until super-  
6 seded or repealed by rules of the Medical Use of Cannabis Board.

7  
8 (Medical Use of Cannabis Fund)

9 (Operative March 30, 2019)  
10

11 **“SECTION 24.** (1) There is established in the State Treasury, sepa-  
12 rate and distinct from the General Fund, the Medical Use of Cannabis  
13 Fund. Interest earned by the Medical Use of Cannabis Fund shall be  
14 credited to the fund. All moneys in the Medical Use of Cannabis Fund  
15 are continuously appropriated to the Medical Use of Cannabis Board  
16 for purposes of administering ORS 475B.400 to 475B.525.

17 **“(2)** The board shall deposit all fee and penalty moneys collected  
18 under ORS 475B.400 to 475B.525 in the Medical Use of Cannabis Fund.

19  
20 (Amendments)

21 (Operative March 30, 2019)  
22

23 **“SECTION 25.** ORS 475B.410, as amended by section 13 of this 2017 Act,  
24 is amended to read:

25 “475B.410. As used in ORS 475B.400 to 475B.525:

26 **“(1)** ‘Attending physician’ means a physician licensed under ORS chapter  
27 677 who has primary responsibility for the care and treatment of a person  
28 diagnosed with a debilitating medical condition.

29 **“(2)** ‘Cannabinoid’ means any of the chemical compounds that are the  
30 active constituents of marijuana.

1       “(3) ‘Cannabinoid concentrate’ means a substance obtained by separating  
2 cannabinoids from marijuana by:

3       “(a) A mechanical extraction process;

4       “(b) A chemical extraction process using a nonhydrocarbon-based solvent,  
5 such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl al-  
6 cohool or ethanol;

7       “(c) A chemical extraction process using carbon dioxide, provided that the  
8 process does not involve the use of high heat or pressure; or

9       “(d) Any other process identified by the Oregon Health Authority, in  
10 consultation with the Oregon Liquor Control and Cannabis Commission, by  
11 rule.

12       “(4) ‘Cannabinoid edible’ means food or potable liquid into which a  
13 cannabinoid concentrate, cannabinoid extract or dried leaves or flowers of  
14 marijuana have been incorporated.

15       “(5) ‘Cannabinoid extract’ means a substance obtained by separating  
16 cannabinoids from marijuana by:

17       “(a) A chemical extraction process using a hydrocarbon-based solvent,  
18 such as butane, hexane or propane;

19       “(b) A chemical extraction process using carbon dioxide, if the process  
20 uses high heat or pressure; or

21       “(c) Any other process identified by the authority, in consultation with  
22 the commission, by rule.

23       “(6) ‘Debilitating medical condition’ means:

24       “(a) Cancer, glaucoma, a degenerative or pervasive neurological condi-  
25 tion, positive status for human immunodeficiency virus or acquired immune  
26 deficiency syndrome, or a side effect related to the treatment of those med-  
27 ical conditions;

28       “(b) A medical condition or treatment for a medical condition that  
29 produces, for a specific patient, one or more of the following:

30       “(A) Cachexia;

1       “(B) Severe pain;  
2       “(C) Severe nausea;  
3       “(D) Seizures, including seizures caused by epilepsy; or  
4       “(E) Persistent muscle spasms, including spasms caused by multiple  
5 sclerosis; **or**  
6       “(c) Post-traumatic stress disorder[; *or*].  
7       “[(d) *Any other medical condition or side effect related to the treatment of*  
8 *a medical condition adopted by the Oregon Health Authority by rule or ap-*  
9 *proved by the authority pursuant to a petition filed under ORS 475B.517.*]  
10      “(7)(a) ‘Delivery’ has the meaning given that term in ORS 475.005.  
11      “(b) ‘Delivery’ does not include transfer of marijuana by a registry iden-  
12 tification cardholder to another registry identification cardholder if no con-  
13 sideration is paid for the transfer.  
14      “(8)(a) ‘Designated primary caregiver’ means an individual:  
15      “(A) Who is 18 years of age or older;  
16      “(B) Who has significant responsibility for managing the well-being of a  
17 person who has been diagnosed with a debilitating medical condition; and  
18      “(C) Who is designated as the person responsible for managing the well-  
19 being of a person who has been diagnosed with a debilitating medical con-  
20 dition on that person’s application for a registry identification card or in  
21 other written notification submitted to the [*authority*] **board**.  
22      “(b) ‘Designated primary caregiver’ does not include a person’s attending  
23 physician.  
24      “(9) ‘High heat’ means a temperature exceeding 180 degrees.  
25      “(10) ‘Immature marijuana plant’ means a marijuana plant that is not  
26 flowering.  
27      “(11)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any  
28 part of the plant Cannabis family Cannabaceae and the seeds of the plant  
29 Cannabis family Cannabaceae.  
30      “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS

1 571.300.

2 “[~~(12)~~ *‘Marijuana grow site’ means a location registered under ORS*  
3 *475B.420 where marijuana is produced for use by a registry identification*  
4 *cardholder.*]

5 “[~~(13)~~ *‘Marijuana processing site’ means a marijuana processing site regis-*  
6 *tered under ORS 475B.435 or a site for which an applicant has submitted an*  
7 *application for registration under ORS 475B.435.*]

8 “[~~(14)~~] **(12)** *‘Mature marijuana plant’ means a marijuana plant that is not*  
9 *an immature marijuana plant.*

10 “[~~(15)(a)~~] **(13)(a)** *‘Medical cannabinoid product’ means a cannabinoid*  
11 *edible and any other product intended for human consumption or use, in-*  
12 *cluding a product intended to be applied to a person’s skin or hair, that*  
13 *contains cannabinoids or dried leaves or flowers of marijuana.*

14 “(b) *‘Medical cannabinoid product’ does not include:*

15 “(A) *Usable marijuana by itself;*

16 “(B) *A cannabinoid concentrate by itself;*

17 “(C) *A cannabinoid extract by itself; or*

18 “(D) *Industrial hemp, as defined in ORS 571.300.*

19 “[~~(16)~~ *‘Medical marijuana dispensary’ means a medical marijuana*  
20 *dispensary registered under ORS 475B.450 or a site for which an applicant*  
21 *has submitted an application for registration under ORS 475B.450.*]

22 “[~~(17)~~] **(14)** *‘Medical use of marijuana’ means the production, processing,*  
23 *possession, delivery or administration of marijuana, or use of paraphernalia*  
24 *used to administer marijuana, to mitigate the symptoms or effects of a de-*  
25 *bilitating medical condition.*

26 “[~~(18)~~ *‘Person designated to produce marijuana by a registry identification*  
27 *cardholder’ means a person designated to produce marijuana by a registry*  
28 *identification cardholder under ORS 475B.420 who produces marijuana for a*  
29 *registry identification cardholder at an address other than the address where*  
30 *the registry identification cardholder resides or at an address where more than*



1 *12 mature marijuana plants are produced.]*

2 “[(19)] (15) ‘Process’ means the compounding or conversion of marijuana  
3 into medical cannabinoid products, cannabinoid concentrates or cannabinoid  
4 extracts.

5 “[(20)] (16) ‘Production’ means:

6 “(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

7 “(b) Drying marijuana leaves or flowers.

8 “[(21)] (17) ‘Registry identification card’ means a document issued by the  
9 [Oregon Health Authority] **board** under ORS 475B.415 that identifies a person  
10 authorized to engage in the medical use of marijuana and, if the person has  
11 a designated primary caregiver under ORS 475B.418, the person’s designated  
12 primary caregiver.

13 “[(22)] (18) ‘Registry identification cardholder’ means a person to whom  
14 a registry identification card has been issued under ORS 475B.415.

15 “[(23)(a)] (19)(a) ‘Usable marijuana’ means the dried leaves and flowers  
16 of marijuana.

17 “(b) ‘Usable marijuana’ does not include:

18 “(A) The seeds, stalks and roots of marijuana; or

19 “(B) Waste material that is a by-product of producing marijuana.

20 “[(24)] (20) ‘Written documentation’ means a statement signed by the at-  
21 tending physician of a person diagnosed with a debilitating medical condition  
22 or copies of the person’s relevant medical records.

23 “**SECTION 26.** ORS 475B.415, as amended by section 9, chapter 24,  
24 Oregon Laws 2016, and section 1, chapter 107, Oregon Laws 2016, is amended  
25 to read:

26 “475B.415. (1) The [Oregon Health Authority] **Medical Use of Cannabis**  
27 **Board** shall establish a program for the issuance of registry identification  
28 cards to applicants who meet the requirements of this section.

29 “(2) The [authority] **board** shall issue a registry identification card to an  
30 applicant who is 18 years of age or older if the applicant pays a fee in an

1 amount established by the [authority] **board** by rule and submits to the [au-  
2 thority] **board** an application containing the following information:

3 “(a) Written documentation from the applicant’s attending physician  
4 stating that the attending physician has diagnosed the applicant as having  
5 a debilitating medical condition and that the medical use of marijuana may  
6 mitigate the symptoms or effects of the applicant’s debilitating medical con-  
7 dition;

8 “(b) The name, address and date of birth of the applicant;

9 “(c) The name, address and telephone number of the applicant’s attending  
10 physician;

11 “(d) Proof of residency, submitted in a form required by the [authority]  
12 **board** by rule;

13 “(e) The name and address of the applicant’s designated primary  
14 caregiver, if the applicant is designating a primary caregiver under ORS  
15 475B.418; and

16 “[*f*] *The information described in ORS 475B.420 (2), if the applicant is*  
17 *applying to produce marijuana or designate another person under ORS*  
18 *475B.420 to produce marijuana.*]

19 “**(f) The address where the applicant will produce marijuana, if the**  
20 **applicant will produce marijuana for personal use under ORS 475B.400**  
21 **to 475B.525.**

22 “(3)(a) The [authority] **board** shall issue a registry identification card to  
23 an applicant who is under 18 years of age if:

24 “(A) The applicant pays the fee and submits the application described in  
25 subsection (2) of this section; and

26 “(B) The custodial parent or legal guardian who is responsible for the  
27 health care decisions of the applicant signs and submits to the [authority]  
28 **board** a written statement that:

29 “(i) The applicant’s attending physician has explained to the applicant  
30 and to the custodial parent or legal guardian the possible risks and benefits

1 of the medical use of marijuana;

2 “(ii) The custodial parent or legal guardian consents to the medical use  
3 of marijuana by the applicant;

4 “(iii) The custodial parent or legal guardian agrees to serve as the  
5 applicant’s designated primary caregiver; and

6 “(iv) The custodial parent or legal guardian agrees to control the acqui-  
7 sition, dosage and frequency of the medical use of marijuana by the appli-  
8 cant.

9 “(b) An applicant who is under 18 years of age may not [*apply to*] produce  
10 marijuana **for personal use** under [*subsection (2)(f) of this section*] **ORS**  
11 **475B.400 to 475B.525.**

12 “(4) The [*authority*] **board** shall:

13 “(a) On the date on which the [*authority*] **board** receives an application  
14 described in subsection (2) **or (3)** of this section, issue a receipt to the ap-  
15 plicant verifying that the [*authority*] **board** received an application under  
16 subsection (2) or (3) of this section; and

17 “(b) Approve or deny an application received under subsection (2) or (3)  
18 of this section within 30 days after receiving the application.

19 “(5)(a) If the [*authority*] **board** approves an application **received under**  
20 **subsection (2) or (3) of this section**, the [*authority*] **board** shall issue a  
21 serially numbered registry identification card to the applicant within five  
22 days after approving the application. The registry identification card must  
23 include the following information:

24 “(A) The registry identification cardholder’s name, address and date of  
25 birth;

26 “(B) The issuance date and expiration date of the registry identification  
27 card;

28 “(C) If the registry identification cardholder **has a** designated [*a*] primary  
29 caregiver under ORS 475B.418, the name and address of the registry iden-  
30 tification cardholder’s designated primary caregiver; and

1 “(D) Any other information required by the [authority] board by rule.

2 “(b) If [the] a registry identification cardholder **has a** designated [a] pri-  
3 mary caregiver under ORS 475B.418, the [authority] board shall issue an  
4 identification card to the designated primary caregiver. The identification  
5 card must contain the information [required by] **described in** paragraph (a)  
6 of this subsection.

7 “(6) A registry identification cardholder shall:

8 “(a) In a form and manner prescribed by the [authority] board, notify the  
9 [authority] board of any change concerning the registry identification  
10 cardholder’s:

11 “(A) Name, address or attending physician; **or**

12 “(B) Designated primary caregiver, including the designation of a primary  
13 caregiver made at a time other than at the time of applying for or renewing  
14 a registry identification card[; or].

15 “[*(C) Person responsible for a marijuana grow site, including the desig-*  
16 *nation of a person responsible for a marijuana grow site made at a time other*  
17 *than at the time of applying for or renewing a registry identification card.*]

18 “(b) Annually renew the registry identification card by paying a fee in  
19 an amount established by the [authority] board by rule and submitting to the  
20 [authority] board an application that contains the following information:

21 “(A) Updated written documentation from the registry identification  
22 cardholder’s attending physician stating that the registry identification  
23 cardholder still has a debilitating medical condition and that the medical use  
24 of marijuana may mitigate the symptoms or effects of the registry identifi-  
25 cation cardholder’s debilitating medical condition;

26 “(B) The information described in subsection (2)(b) to (f) of this section;  
27 and

28 “(C) If the registry identification cardholder is under 18 years of age, a  
29 statement signed by the custodial parent or legal guardian of the registry  
30 identification cardholder that meets the requirements of subsection (3) of this

1 section.

2 “(7) The [authority] **board** shall:

3 “(a) On the date on which the [authority] **board** receives an application  
4 described in subsection (2) of this section, issue a receipt to the applicant  
5 verifying that the [authority] **board** received an application under subsection  
6 (6)(b) of this section; and

7 “(b) Approve or deny an application received under subsection (6)(b) of  
8 this section within 30 days after receiving the application.

9 “(8)(a) If the registry identification cardholder’s attending physician de-  
10 termines that the registry identification cardholder no longer has a debili-  
11 tating medical condition, or determines that the medical use of marijuana is  
12 contraindicated for the registry identification cardholder’s debilitating med-  
13 ical condition, the registry identification cardholder shall return the registry  
14 identification card to the [authority] **board** within 30 calendar days after  
15 receiving notice of the determination.

16 “(b) If, because of circumstances beyond the control of the registry iden-  
17 tification cardholder, a registry identification cardholder is unable to obtain  
18 a second medical opinion about the registry identification cardholder’s con-  
19 tinuing eligibility for the medical use of marijuana before having to return  
20 the registry identification card to the [authority] **board**, the [authority]  
21 **board** may grant the registry identification cardholder additional time to  
22 obtain a second medical opinion.

23 “(9)(a) The [authority] **board** may deny an application for a registry  
24 identification card or an application to renew a registry identification card,  
25 or may suspend or revoke a registry identification card, if:

26 “(A) The applicant or registry identification cardholder does not provide  
27 the information required by this section;

28 “(B) The [authority] **board** determines that the applicant or registry  
29 identification cardholder provided false information; or

30 “(C) The [authority] **board** determines that the applicant or registry

1 identification cardholder violated a provision of ORS 475B.400 to 475B.525  
2 or a rule adopted under ORS 475B.400 to 475B.525.

3 “(b) If a registry identification card is revoked, any associated identifi-  
4 cation card issued under subsection (5)(b) of this section[, *or marijuana grow*  
5 *site registration card issued under ORS 475B.420 (6), shall*] also **must** be re-  
6 voked.

7 “(c) A person whose application is denied, or whose registry identification  
8 card is revoked, under this subsection may not reapply for a registry iden-  
9 tification card for six months from the date of the denial or revocation un-  
10 less otherwise authorized by the [*authority*] **board**.

11 “(10)(a) The [*authority*] **board** may deny a designation of a primary  
12 caregiver made under ORS 475B.418, or suspend or revoke an associated  
13 identification card issued under subsection (5)(b) of this section, if the [*au-*  
14 *thority*] **board** determines that the designee or the registry identification  
15 cardholder violated a provision of ORS 475B.400 to 475B.525 or a rule  
16 adopted under ORS 475B.400 to 475B.525.

17 “(b) A person whose designation has been denied, or whose identification  
18 card has been revoked, under this subsection may not be designated as a  
19 primary caregiver under ORS 475B.418 for six months from the date of the  
20 denial or revocation unless otherwise authorized by the [*authority*] **board**.

21 “(11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an ap-  
22 plicant for a registry identification card, or a registry identification  
23 cardholder applying for renewal of a registry identification card, submits to  
24 the [*authority*] **board** proof of having served in the Armed Forces of the  
25 United States, the [*authority*] **board** may not impose a fee that is greater  
26 than \$20 for the issuance or renewal of the registry identification card.

27 “(b) Notwithstanding subsection (6)(b)(A) of this section, the requirement  
28 that a registry identification cardholder include in the application to renew  
29 a registry identification card updated written documentation from the  
30 cardholder’s attending physician regarding the cardholder’s continuing de-

1 debilitating medical condition does not apply to a service-disabled veteran who:

2       “(A) Has been assigned a total and permanent disability rating for com-  
3 pensation that rates the veteran as unable to secure or follow a substantially  
4 gainful occupation as a result of service-connected disabilities as described  
5 in 38 C.F.R. 4.16; or

6       “(B) Has a United States Department of Veterans Affairs total disability  
7 rating of 100 percent as a result of an injury or illness that the veteran in-  
8 curred, or that was aggravated, during active military service and who re-  
9 ceived a discharge or release under other than dishonorable conditions.

10       “(12) For any purpose described in ORS 475B.400 to 475B.525, including  
11 exemption from criminal liability under ORS 475B.475, a receipt issued by the  
12 [authority] board verifying that an application has been submitted to the  
13 [authority] board under subsection (2), (3) or (6)(b) of this section has the  
14 same legal effect as a registry identification card for 30 days following the  
15 date on which the receipt was issued to the applicant.

16       “**SECTION 27.** ORS 475B.418 is amended to read:

17       “475B.418. (1) If a person who is applying for a registry identification card  
18 under ORS 475B.415, or who is a registry identification cardholder, chooses  
19 to designate, or to change the designation of, a primary caregiver, the person  
20 must include the primary caregiver’s name and address:

21       “(a) On the person’s application for a registry identification card;

22       “(b) On the person’s application to renew a registry identification card;  
23 or

24       “(c) In a form and manner prescribed by the [authority] **Medical Use of**  
25 **Cannabis Board**, in a signed statement notifying the [Oregon Health Au-  
26 thority] board of the designation.

27       “(2) A registry identification cardholder may have only one designated  
28 primary caregiver at any given time.

29       “(3) If a registry identification cardholder who previously designated a  
30 primary caregiver chooses to designate a different primary caregiver, the

1 [authority] board shall notify the previous designee of the new designation  
2 and issue an identification card to the newly designated primary caregiver.

3 **“SECTION 28.** ORS 475B.428, as amended by section 23, chapter 24,  
4 Oregon Laws 2016, is amended to read:

5 “475B.428. (1) *[Subject to subsection (2) of this section,]* A registry iden-  
6 tification cardholder and the designated primary caregiver of the registry  
7 identification cardholder may jointly possess:

8 **“(a) Six or fewer mature marijuana plants[.]; and**

9 **“(b) 36 or fewer immature marijuana plants.**

10 **“(2) An address where a registry identification cardholder or the**  
11 **designated primary caregiver of a registry identification cardholder**  
12 **produce marijuana may only be used to produce:**

13 **“(a) Six or fewer mature marijuana plants; and**

14 **“(b) 36 or fewer immature marijuana plants.**

15 *“[(2)(a) A person may be designated to produce marijuana under ORS*  
16 *475B.420 by no more than four registry identification cardholders.]*

17 *“[(b) A person who is designated to produce marijuana by a registry iden-*  
18 *tification cardholder may produce no more than six mature marijuana plants*  
19 *for a registry identification cardholder who designates the person to produce*  
20 *marijuana.]*

21 *“[(3) If the address of a person responsible for a marijuana grow site under*  
22 *ORS 475B.420 is located within city limits in an area zoned for residential*  
23 *use:]*

24 *“[(a) Except as provided in paragraph (b) of this subsection, no more than*  
25 *12 mature marijuana plants may be produced at the address; or]*

26 *“[(b) Subject to subsection (5) of this section, if each person responsible for*  
27 *a marijuana grow site located at the address first registered with the Oregon*  
28 *Health Authority under ORS 475B.420 before January 1, 2015, no more than*  
29 *the amount of mature marijuana plants located at that address on December*  
30 *31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature*



1 *marijuana plants, may be produced at the address.]*

2 *“(4) If the address of a person responsible for a marijuana grow site under*  
3 *ORS 475B.420 is located in an area other than an area described in subsection*  
4 *(3) of this section:]*

5 *“(a) Except as provided in paragraph (b) of this subsection, no more than*  
6 *48 mature marijuana plants may be produced at the address; or]*

7 *“(b) Subject to subsections (5) and (6) of this section, if each person re-*  
8 *sponsible for a marijuana grow site located at the address first registered with*  
9 *the authority under ORS 475B.420 before January 1, 2015, no more than the*  
10 *amount of mature marijuana plants located at that address on December 31,*  
11 *2014, in excess of 48 mature marijuana plants, not to exceed 96 mature*  
12 *marijuana plants, may be produced at the address.]*

13 *“(5) If the authority suspends or revokes the registration of a person re-*  
14 *sponsible for a marijuana grow site that is located at an address described in*  
15 *subsection (3)(b) or (4)(b) of this section:]*

16 *“(a) No more than 12 mature marijuana plants may be subsequently*  
17 *produced at any address described in subsection (3) of this section at which*  
18 *the person responsible for that marijuana grow site produces marijuana.]*

19 *“(b) No more than 48 mature marijuana plants may be subsequently*  
20 *produced at any address described in subsection (4) of this section at which*  
21 *the person responsible for that marijuana grow site produces marijuana.]*

22 *“(6) If a registry identification cardholder who designated a person to*  
23 *produce marijuana for the registry identification cardholder pursuant to ORS*  
24 *475B.420 terminates the designation, the person responsible for the marijuana*  
25 *grow site whose designation has been terminated may not be designated to*  
26 *produce marijuana by another registry identification cardholder, except that*  
27 *the person may be designated by another registry identification cardholder if*  
28 *no more than 48 mature marijuana plants are produced at the address for the*  
29 *marijuana grow site at which the person produces marijuana.]*

30 *“(7) Subject to the limits described in subsections (2) to (6) of this section,*

1 *if multiple persons responsible for a marijuana grow site under ORS 475B.420*  
2 *are located at the same address, the persons designated to produce marijuana*  
3 *by registry identification cardholders who are located at that address may*  
4 *collectively produce mature marijuana plants for any number of registry iden-*  
5 *tification cardholders who designate the persons to produce marijuana.]*

6 “[(8)] **(3)** If a law enforcement officer determines that a registry identifi-  
7 cation cardholder[,] **and** the designated primary caregiver of [a] **the** registry  
8 identification cardholder[, or a person responsible for a marijuana grow site

9 *under ORS 475B.420 who grows marijuana for a registry identification*  
10 *cardholder, possesses]* **jointly possess** a number of [mature] marijuana plants  
11 in excess of the quantities specified in **subsection (1) of this section, or**  
12 **that an address is being used to produce a number of marijuana plants**  
13 **in excess of the quantities specified in subsection (2) of this section,**  
14 the law enforcement officer may confiscate only the excess number of [ma-  
15 *ture]* marijuana plants.

16 “**SECTION 29.** ORS 475B.430 is amended to read:

17 “475B.430. (1) [*Except as provided in subsection (2) of this section,*] A reg-  
18 istry identification cardholder and the designated primary caregiver of the  
19 registry identification cardholder may jointly possess no more than 24 ounces  
20 of usable marijuana **per mature marijuana plant jointly possessed by the**  
21 **registry identification cardholder and the designated primary caregiver**  
22 **of the registry identification cardholder.**

23 “[*(2) Subject to subsection (3) of this section, a person designated to produce*  
24 *marijuana by a registry identification cardholder may possess the amount of*  
25 *usable marijuana that the person harvests from the person’s mature marijuana*  
26 *plants, provided that the person may not possess usable marijuana in excess*  
27 *of the amount of usable marijuana in the person’s possession as reported to the*  
28 *Oregon Health Authority under ORS 475B.423.]*

29 “[*(3) A person designated to produce marijuana by a registry identification*  
30 *cardholder may not possess usable marijuana in excess of:*]

1       “(a) For a marijuana grow site located outdoors, 12 pounds of usable  
2 marijuana per mature marijuana plant; or]

3       “(b) For a marijuana grow site located indoors, six pounds of usable  
4 marijuana per mature marijuana plant.]

5       “(2) If a law enforcement officer determines that a registry iden-  
6 tification cardholder and the designated primary caregiver of the reg-  
7 istry identification cardholder jointly possess an amount of usable  
8 marijuana in excess of the quantity specified in subsection (1) of this  
9 section, the law enforcement officer may confiscate only the excess  
10 amount of usable marijuana.

11       “**SECTION 30.** ORS 475B.433 is amended to read:

12       “475B.433. A person to whom a registry identification card has been is-  
13 sued under ORS 475B.415 (5)(a)[,] or an identification card has been issued  
14 under ORS 475B.415 (5)(b)[, or a marijuana grow site registration card has  
15 been issued under ORS 475B.420,] may not possess marijuana, usable  
16 marijuana, medical cannabinoid products, cannabinoid concentrates or  
17 cannabinoid extracts in a location other than [the] an address on file with  
18 the [Oregon Health Authority] **Medical Use of Cannabis Board** unless the  
19 person is carrying the card.

20       “**SECTION 31.** ORS 475B.445 is amended to read:

21       “475B.445. (1) [ORS 475B.435 does not apply to a registry identification  
22 cardholder or a person who has been designated as a primary caregiver under  
23 ORS 475B.418 who processes a medical cannabinoid product or a cannabinoid  
24 concentrate for a registry identification cardholder.] **A registry identifica-**  
25 **tion cardholder may process for the registry identification cardholder’s**  
26 **personal use, or a person who is the designated primary caregiver**  
27 **under ORS 475B.418 of the registry identification cardholder may pro-**  
28 **cess for the registry identification cardholder’s personal use, usable**  
29 **marijuana belonging to the registry identification cardholder into a**  
30 **medical cannabinoid product or cannabinoid concentrate.**

1       “(2) A registry identification cardholder may not process for the  
2 registry identification cardholder’s personal use, and a person who is  
3 the designated primary caregiver under ORS 475B.418 of the registry  
4 identification cardholder may not process for the registry identifica-  
5 tion cardholder’s personal use, usable marijuana belonging to the  
6 registry identification cardholder into a cannabinoid extract.

7       “**SECTION 32.** ORS 475B.460 is amended to read:

8       “475B.460. (1)(a) The [*Oregon Health Authority*] **Medical Use of Cannabis**  
9 **Board** shall establish and maintain a list of:

10       “(A) The names of persons to whom a registry identification card has been  
11 issued under ORS 475B.415; **and**

12       “(B) The names of persons **who are** designated [*as*] primary caregivers  
13 under ORS 475B.418[; *and*].

14       “[*(C) The addresses of marijuana grow sites registered under ORS*  
15 *475B.420.*]

16       “(b) Except as provided in subsection (2) of this section, the list is confi-  
17 dential and not subject to public disclosure under ORS 192.410 to 192.505.

18       “(c) The [*authority*] **board** shall develop a system by which authorized  
19 employees of state and local law enforcement agencies may verify that:

20       “(A) A person lawfully possesses a registry identification card; **or**

21       “(B) A person is the designated primary caregiver of a lawful possessor  
22 of a registry identification card[; *or*].

23       “[*(C) A location is a registered marijuana grow site.*]

24       “(2) Names, addresses and other identifying information from the list es-  
25 tablished and maintained pursuant to subsection (1) of this section may be  
26 released to:

27       “(a) Authorized employees of the **Oregon Health Authority** as necessary  
28 to perform official duties of the [*authority*] **board**.

29       “(b) Authorized employees of state or local law enforcement agencies who  
30 provide to the [*authority*] **board** adequate identification, but only as neces-

1 sary to verify that:

2 “(A) A person lawfully possesses a registry identification card; **or**

3 “(B) A person is the designated primary caregiver of a lawful possessor  
4 of a registry identification card[; *or*].

5 “[*(C) A location is a registered marijuana grow site.*]

6 “(3) Authorized employees of state or local law enforcement agencies who  
7 obtain identifying information as authorized by this section may not release  
8 or use the information for any purpose other than to verify that:

9 “(a) A person lawfully possesses a registry identification card; **or**

10 “(b) A person is the designated primary caregiver of a lawful possessor  
11 of a registry identification card[; *or*].

12 “[*(c) A location is a registered marijuana grow site.*]

13 “(4) In addition to releasing information to authorized employees of state  
14 or local law enforcement agencies for purposes of verifying information un-  
15 der subsection (2)(b) of this section, the [*authority*] **board** may release to  
16 authorized employees of state or local law enforcement agencies the mini-  
17 mum amount of information necessary to enable an employee to determine  
18 whether an individual or location is in compliance with a provision of ORS  
19 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

20 “(5) If the [*authority*] **board** determines, after conducting an investigation  
21 or receiving a complaint of an alleged violation of a provision of ORS  
22 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525, that  
23 a violation of a provision of ORS 475B.400 to 475B.525 or a rule adopted  
24 under ORS 475B.400 to 475B.525 has occurred, the [*authority*] **board** may  
25 provide information obtained by the [*authority*] **board**, except for information  
26 related to a registry identification cardholder’s debilitating condition, to  
27 authorized employees of state or local law enforcement agencies, or to an-  
28 other state or local government agency with jurisdiction over the matter.

29 “**SECTION 33.** ORS 475B.475 is amended to read:

30 “475B.475. Except as provided in ORS 475B.478, a person engaged in or

1 assisting in the medical use of marijuana is exempt from the criminal laws  
2 of this state for possession, delivery or manufacture of marijuana, aiding and  
3 abetting another in the possession, delivery or manufacture of marijuana, or  
4 any other criminal offense in which possession, delivery or manufacture of  
5 marijuana is an element if:

6 “(1) The person holds a registry identification card.

7 “(2) The person has applied for a registry identification card under ORS  
8 475B.415 and the person has proof of written documentation described in ORS  
9 475B.415 (2)(a) and proof of the date on which the person submitted the ap-  
10 plication to the [*Oregon Health Authority*] **Medical Use of Cannabis**  
11 **Board**. An exemption under this subsection applies only until the  
12 [*authority*] **board** approves or denies the application.

13 “(3) The person is a designated [*as a*] primary caregiver under ORS  
14 475B.418.

15 “[*(4) The person is responsible for or is employed by a marijuana grow site*  
16 *registered under ORS 475B.420.*]

17 “[*(5) The person owns, is responsible for, or is employed by, a marijuana*  
18 *processing site.*]

19 “[*(6) The person owns, is responsible for, or is employed by, a medical*  
20 *marijuana dispensary.*]

21 “**SECTION 34.** ORS 475B.478 is amended to read:

22 “475B.478. A person is not exempt from the criminal laws of this state for  
23 possession, delivery or manufacture of marijuana, aiding and abetting an-  
24 other in the possession, delivery or manufacture of marijuana, or any other  
25 criminal offense in which possession, delivery or manufacture of marijuana  
26 is an element, and the person may not assert the affirmative defense estab-  
27 lished in ORS 475B.480, if the person, in connection with conduct constitut-  
28 ing an element of the offense:

29 “(1) Drives under the influence of marijuana as provided in ORS 813.010;

30 “(2) Engages in the medical use of marijuana in a public place, as defined

1 in ORS 161.015, in public view or in a correctional facility, as defined in ORS  
2 162.135 (2), or a youth correction facility, as defined in ORS 162.135 (6); or

3 “(3) Delivers marijuana to any individual who the person knows is not in  
4 possession of a registry identification card [*or to any individual or entity that*  
5 *the person knows has not been designated to receive marijuana or assigned a*  
6 *possessory interest in marijuana by an individual in possession of a registry*  
7 *identification card*].

8 **“SECTION 35.** ORS 475B.480 is amended to read:

9 “475B.480. (1) Except as provided in ORS 475B.478, a person has an affir-  
10 mative defense to a criminal charge of possession, delivery or manufacture  
11 of marijuana, or any other criminal offense in which possession, delivery or  
12 manufacture of marijuana is an element, if the person charged with the of-  
13 fense:

14 “(a) Was diagnosed with a debilitating medical condition within 12  
15 months of the date on which the person was arrested and was advised by the  
16 person’s attending physician that the medical use of marijuana may mitigate  
17 the symptoms or effects of that debilitating medical condition;

18 “(b) Is engaged in the medical use of marijuana; and

19 “(c) Possesses, delivers or manufactures marijuana only in quantities  
20 permitted under ORS 475B.428 **and 475B.430.**

21 “(2) A person does not need to lawfully possess a registry identification  
22 card to assert the affirmative defense established in this section.

23 “(3) A person engaged in the medical use of marijuana who claims that  
24 marijuana provides medically necessary benefits and who is charged with a  
25 crime pertaining to the use of marijuana is not precluded from presenting a  
26 defense of choice of evils, as set forth in ORS 161.200, or from presenting  
27 evidence supporting the necessity of marijuana for treatment of a specific  
28 disease or medical condition, provided that:

29 “(a) The person possesses, delivers or manufactures marijuana only as  
30 permitted under ORS 475B.428 [(1)] **and 475B.430;** and

1       “(b) The person has taken a substantial step toward complying with the  
2 provisions of ORS 475B.400 to 475B.525.

3       “(4) A defendant proposing to use the affirmative defense established in  
4 this section in a criminal action shall, not less than five days before the trial  
5 [*of the cause,*] **for the criminal action**, file and serve upon the district at-  
6 torney a written notice of the intention to assert the affirmative defense. The  
7 notice must specifically state the reasons why the defendant is entitled to  
8 assert the affirmative defense and the factual basis for the affirmative de-  
9 fense. If the defendant fails to file and serve the notice, the defendant is not  
10 permitted to assert the affirmative defense at the trial [*of the cause*] **for the**  
11 **criminal action** unless the court orders, for good cause, otherwise.

12       “**SECTION 36.** ORS 475B.490, as amended by section 20a, chapter 23,  
13 Oregon Laws 2016, is amended to read:

14       “475B.490. (1) Registration under ORS 475B.400 to 475B.525 or possession  
15 of proof of registration under ORS 475B.400 to 475B.525 does not constitute  
16 probable cause to search the person or property of the registrant or other-  
17 wise subject the person or property of the registrant to inspection by a  
18 government agency. [*However, the Oregon Health Authority may inspect the*  
19 *marijuana grow site of a person designated to produce marijuana by a registry*  
20 *identification cardholder, a marijuana processing site registered under ORS*  
21 *475B.435, or a medical marijuana dispensary registered under ORS 475B.450,*  
22 *at any reasonable time to determine whether the person responsible for the*  
23 *marijuana grow site, the person responsible for the marijuana processing site,*  
24 *or the person responsible for the medical marijuana dispensary, is in compli-*  
25 *ance with ORS 475B.400 to 475B.525 and rules adopted under ORS 475B.400*  
26 *to 475B.525.*]

27       “(2) Any property interest possessed, owned or used in connection with  
28 the medical use of marijuana or acts incidental to the medical use of  
29 marijuana that has been seized by state or local law enforcement officers  
30 may not be harmed, neglected, injured or destroyed while in the possession



1 of a law enforcement agency, except that a law enforcement agency has no  
2 responsibility to maintain live marijuana plants lawfully seized. Such prop-  
3 erty interest may not be forfeited under any provision of law providing for  
4 the forfeiture of property, except pursuant to a sentence imposed after con-  
5 viction of a criminal offense. Marijuana and equipment or paraphernalia  
6 used to produce, process or administer marijuana that was seized by a law  
7 enforcement officer shall be returned immediately if the district attorney in  
8 whose county the property was seized, or the district attorney's designee,  
9 determines that the person from whom the marijuana, equipment or par-  
10 aphernalia was seized is entitled to the protections provided by ORS 475B.400  
11 to 475B.525. The determination may be evidenced by a decision not to pros-  
12 ecute, the dismissal of charges or acquittal.

13 **“SECTION 37.** ORS 475B.507, as amended by section 15 of this 2017 Act,  
14 is amended to read:

15 “475B.507. [*The Oregon Health Authority, the State Department of Agri-*  
16 *culture and the Oregon Liquor Control and Cannabis Commission,*] **The**  
17 **Medical Use of Cannabis Board** and the officers, employees and agents of  
18 the [*authority, department and commission,*] **Oregon Health Authority who**  
19 **are performing work for or on behalf of the board** are immune from any  
20 cause of action for the performance of, or the failure to perform, duties re-  
21 quired by ORS 475B.400 to 475B.525.

22 **“SECTION 38.** ORS 475B.510, as amended by section 16 of this 2017 Act,  
23 is amended to read:

24 “475B.510. [*The Oregon Health Authority, the State Department of Agri-*  
25 *culture and the Oregon Liquor Control and Cannabis Commission]* **The**  
26 **Medical Use of Cannabis Board** may possess, seize or dispose of marijuana,  
27 usable marijuana, medical cannabinoid products, cannabinoid concentrates  
28 and cannabinoid extracts as is necessary for the [*authority*] **board** to ensure  
29 compliance with and enforce the provisions of ORS 475B.400 to 475B.525 and  
30 any rule adopted under ORS 475B.400 to 475B.525.

1        **“SECTION 39.** ORS 475B.525 is amended to read:

2        “475B.525. (1) The [*Oregon Health Authority*] **The Medical Use of**  
3 **Cannabis Board** shall adopt rules necessary for the implementation, ad-  
4 ministration and enforcement of ORS 475B.400 to 475B.525.

5        “(2) The [*authority*] **board** may adopt rules as the [*authority*] **board** con-  
6 siders necessary to protect the public health and safety.

7        **“SECTION 40.** Section 6, chapter 83, Oregon Laws 2016, is amended to  
8 read:

9        **“Sec. 6.** Notwithstanding the provisions of ORS 475B.400 to 475B.525,  
10 rules adopted by the [*Oregon Health Authority*] **Medical Use of Cannabis**  
11 **Board** under ORS 475B.400 to 475B.525 must allow for the provision, transfer  
12 and sale of usable marijuana as described in section 2 [*of this 2016 Act*],  
13 **chapter 83, Oregon Laws 2016.**

14        **“SECTION 41.** Section 10 of this 2017 Act is amended to read:

15        **“Sec. 8.** (1) A premises is not subject to ORS 475B.063 or any land use  
16 ordinance or rule of a local government that would otherwise prohibit or  
17 restrict the production of marijuana on the premises if:

18        “[(a) *The premises is registered as a marijuana grow site under ORS*  
19 *475B.420 on the date immediately preceding the date on which the Oregon Li-*  
20 *quor Control Commission issues a license to produce marijuana on the prem-*  
21 *ises;*]

22        “[(b) *The premises is used to lawfully produce 24 or less than 24 mature*  
23 *marijuana plants on the date immediately preceding the date on which the*  
24 *commission issues a license to produce marijuana on the premises;*]

25        **“(a) The premises was not subject to ORS 475B.063 or any ordinance**  
26 **or rule of a local government that would otherwise prohibit or restrict**  
27 **the production of marijuana on the premises on the date immediately**  
28 **preceding the operative date specified in section 357 of this 2017 Act;**

29        “[(c)] **(b)** The grow canopy used to produce mature marijuana plants on  
30 the premises does not exceed 2,500 square feet, on and after the date on

1 which the commission issues a license to produce marijuana on the premises;  
2 and

3 “[(d)] (c) The license to produce marijuana on the premises does not lapse  
4 and is not suspended or revoked, on and after the date on which the com-  
5 mission issues a license to produce marijuana on the premises.

6 “**SECTION 42.** Section 21 of this 2017 Act is amended to read:

7 “**Sec. 17.** (1) The [*Oregon Health Authority*] **Medical Use of Cannabis**  
8 **Board** shall establish, maintain and operate an electronic system for the  
9 keeping of information received by the authority under ORS 475B.415 or in-  
10 cluded on a registry identification card issued under ORS 475B.415.

11 “(2) The [*authority*] **board** may contract with a state agency or private  
12 entity to ensure the effective establishment, maintenance or operation of the  
13 electronic system.

14 “(3) Except as provided in subsection (4) of this section, information kept  
15 in the electronic system is confidential and not subject to public disclosure  
16 under ORS 192.410 to 192.505. Except as provided in subsection (4) of this  
17 section, the [*authority*] **board** may not disclose the information for any rea-  
18 son.

19 “(4) The [*authority*] **board** shall establish the electronic system in a  
20 manner that allows the Oregon Liquor Control and Cannabis Commission  
21 and the Department of Revenue to remotely access the electronic system.  
22 Information disclosed to the commission and the department under this sub-  
23 section remains confidential and not subject to public disclosure under ORS  
24 192.410 to 192.505. The commission and the department may not disclose the  
25 information for any reason.

26 “(5) The electronic system must be immediately accessible by the com-  
27 mission and the department 24 hours a day, seven days a week.

28

29

30

**(Repeals)**  
**(Operative March 30, 2019)**

1        **“SECTION 43. ORS 475B.420, 475B.423, 475B.425, 475B.435, 475B.438,**  
2 **475B.440, 475B.443, 475B.450, 475B.453, 475B.455, 475B.458, 475B.462,**  
3 **475B.464, 475B.468, 475B.469, 475B.470, 475B.495, 475B.500, 475B.505,**  
4 **475B.517 and 475B.520, sections 13, 14, 20 and 22, chapter 23, Oregon**  
5 **Laws 2016, section 25, chapter 24, Oregon Laws 2016, and section 29,**  
6 **chapter 83, Oregon Laws 2016, are repealed.**

7  
8                   **CONTROL AND REGULATION OF MARIJUANA ACT**

9  
10                   **(Regulatory Specialists)**

11                   **(Effective 91st Day Following Adjournment Sine Die)**

12  
13        **“SECTION 44. Section 45 of this 2017 Act is added to and made a**  
14 **part of ORS 475B.010 to 475B.395.**

15        **“SECTION 45. (1) In addition to the duties functions and powers**  
16 **described in ORS 471.775, and subject to subsection (2) of this section,**  
17 **a regulatory specialist, as defined in ORS 471.005, has the authority**  
18 **as provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721**  
19 **to 133.739, 161.235, 161.245, 475B.010 to 475B.395, 475B.400 to 475B.525,**  
20 **475B.550 to 475B.590 or 475B.600 to 475B.655, and chapter 743, Oregon**  
21 **Laws 1971, to conduct inspections and investigations, make seizures,**  
22 **aid in prosecutions for offenses, issue citations for violations and**  
23 **otherwise enforce ORS 475B.010 to 475B.395, 475B.400 to 475B.525,**  
24 **475B.550 to 475B.590 and 475B.600 to 475B.655, any rule adopted under**  
25 **ORS 475B.010 to 475B.395, 475B.400 to 475B.525, 475B.550 to 475B.590 and**  
26 **475B.600 to 475B.655 and any other law of this state that charges the**  
27 **Oregon Liquor Control and Cannabis Commission with a duty, func-**  
28 **tion or power related to a marijuana item, including enforcing any law**  
29 **or rule related to individuals who use false identification for purposes**  
30 **of purchasing or possessing a marijuana item or who engage in illegal**

1 activity on or near a premises.

2 “(2) A regulatory specialist may not:

3 “(a) Be sworn in as a federal law enforcement official and act in  
4 that capacity while performing an activity authorized by this section.

5 “(b) Carry a firearm.

6 “(c) Conduct inspections and investigations of a primary residence,  
7 unless the primary residence is the location of a grow canopy of a  
8 marijuana producer that holds a license issued under ORS 475B.070.

9 “(d) Conduct inspections and investigations of registry identifica-  
10 tion cardholders or designated primary caregivers, the residences of  
11 registry identification cardholders or designated primary caregivers  
12 or the locations where registry identification cardholders or designated  
13 primary caregivers produce marijuana, for purposes of ensuring com-  
14 pliance with ORS 475B.400 to 475B.525.

15

16 (Financial Disclosure)

17 (Effective 91st Day Following Adjournment Sine Die)

18

19 “SECTION 46. Sections 47 and 48 of this 2017 Act are added to and  
20 made a part of ORS 475B.010 to 475B.395.

21 “SECTION 47. (1) The Oregon Liquor Control Commission may re-  
22 quire, in a form and manner prescribed by the commission, a licensee  
23 or applicant for a license under ORS 475B.010 to 475B.395 to submit to  
24 the commission a sworn statement showing:

25 “(a) The name and address of each person that has a financial in-  
26 terest in the business operating or to be operated under the license;  
27 and

28 “(b) The nature and extent of the financial interest of each person  
29 that has a financial interest in the business operating or to be oper-  
30 ated under the license.

1       “(2) The commission may refuse to issue, or may suspend, revoke  
2 or refuse to renew, a license issued under ORS 475B.010 to 475B.395 if  
3 the commission determines that a person that has a financial interest  
4 in the business operating or to be operated under the license commit-  
5 ted or failed to commit an act that would constitute grounds for the  
6 commission to refuse to issue, or to suspend, revoke or refuse to re-  
7 new, the license if the person were the licensee or applicant for the  
8 license.

9       “SECTION 48. (1) The Oregon Liquor Control Commission may re-  
10 quire, in a form and manner prescribed by the commission, a certifi-  
11 cate holder or an applicant for a certificate under ORS 475B.235 to  
12 submit to the commission a sworn statement showing:

13       “(a) The name and address of each person that has a financial in-  
14 terest in the research being conducted or to be conducted under the  
15 certificate; and

16       “(b) The nature and extent of the financial interest of each person  
17 that has a financial interest in the research being conducted or to be  
18 conducted under the certificate.

19       “(2) The commission may refuse to issue, or may suspend, revoke  
20 or refuse to renew, a certificate issued under ORS 475B.235 if the  
21 commission determines that a person that has a financial interest in  
22 the research being conducted or to be conducted under the certificate  
23 committed or failed to commit an act that would constitute grounds  
24 for the commission to refuse to issue, or to suspend, revoke or refuse  
25 to renew, the certificate if the person were the certificate holder or  
26 the applicant for the certificate.

27       “SECTION 49. Section 50 of this 2017 Act is added to and made a  
28 part of ORS 475B.550 to 475B.590.

29       “SECTION 50. (1) The Oregon Liquor Control Commission may re-  
30 quire, in a form and manner prescribed by the commission, a licensee

1 or applicant for a license under ORS 475B.560 to submit to the com-  
2 mission a sworn statement showing:

3 “(a) The name and address of each person that has a financial in-  
4 terest in the business operating or to be operated under the license;  
5 and

6 “(b) The nature and extent of the financial interest of each person  
7 that has a financial interest in the business operating or to be oper-  
8 ated under the license.

9 “(2) The commission may refuse to issue, or may suspend, revoke  
10 or refuse to renew, a license issued under ORS 475B.560 if the com-  
11 mission determines that a person that has a financial interest in the  
12 business operating or to be operated under the license committed or  
13 failed to commit an act that would constitute grounds for the com-  
14 mission to refuse to issue, or to suspend, revoke or refuse to renew,  
15 the license if the person were the licensee or applicant for the license.

16  
17 (Letter of Reprimand)

18 (Takes Effect 91st Day After Adjournment Sine Die)

19  
20 “SECTION 51. Section 52 of this 2017 Act is added to and made a  
21 part of ORS 475B.010 to 475B.395.

22 “SECTION 52. (1) Notwithstanding the lapse, suspension or revoca-  
23 tion of a license issued under ORS 475B.010 to 475B.395 or a certificate  
24 issued under ORS 475B.235, the Oregon Liquor Control and Cannabis  
25 Commission may:

26 “(a) Proceed with any investigation of, or any action or disciplinary  
27 proceeding against, the person who held the license or certificate; or

28 “(b) Revise or render void an order suspending or revoking the li-  
29 cense or certificate.

30 “(2) In cases involving the proposed denial of a license issued under

1 **ORS 475B.010 to 475B.395 or a certificate issued under ORS 475B.235,**  
2 **the commission has jurisdiction to proceed with any action or disci-**  
3 **plinary proceeding against the applicant for licensure or certification**  
4 **if:**

5 **“(a) The commission has issued a notice of the intent to deny**  
6 **licensure or certification; and**

7 **“(b) The applicant for licensure or certification has requested a**  
8 **hearing.**

9

10 **(Registry Identification Cardholders)**  
11 **(Takes Effect 91st Day Following Adjournment Sine Die)**

12

13 **“SECTION 53.** ORS 475B.070, as amended by section 1, chapter 24,  
14 Oregon Laws 2016, and section 7, chapter 83, Oregon Laws 2016, is amended  
15 to read:

16 **“475B.070. (1) The production of marijuana is subject to regulation by the**  
17 **Oregon Liquor Control and Cannabis Commission.**

18 **“(2) A marijuana producer must have a production license issued by the**  
19 **commission for the premises at which the marijuana is produced. To hold a**  
20 **production license under this section, a marijuana producer:**

21 **“(a) Must apply for a license in the manner described in ORS 475B.040;**

22 **“(b) Must provide proof that the applicant is 21 years of age or older; and**

23 **“(c) Must meet the requirements of any rule adopted by the commission**  
24 **under subsection (3) of this section.**

25 **“(3) The commission shall adopt rules that:**

26 **“(a) Require a marijuana producer to annually renew a license issued**  
27 **under this section;**

28 **“(b) Establish application, licensure and renewal of licensure fees for**  
29 **marijuana producers;**

30 **“(c) Require marijuana produced by marijuana producers to be tested in**



1 accordance with ORS 475B.555;

2 “(d) Assist the viability of marijuana producers that are independently  
3 owned and operated and that are limited in size and revenue with respect to  
4 other marijuana producers, by minimizing barriers to entry into the regu-  
5 lated system and by expanding, to the extent practicable, transportation  
6 options that will support their access to the retail market;

7 “(e) Allow a marijuana producer registered under section 2, chapter 83,  
8 Oregon Laws 2016, to produce marijuana for medical purposes in the same  
9 manner that rules adopted under ORS 475B.010 to 475B.395 allow a  
10 marijuana producer to produce marijuana for nonmedical purposes, excepting  
11 those circumstances where differentiating between the production of  
12 marijuana for medical purposes and the production of marijuana for non-  
13 medical purposes is necessary to protect the public health and safety;

14 “(f) Require marijuana producers to submit, at the time of applying for  
15 or renewing a license under ORS 475B.040, a report describing the applicant’s  
16 or licensee’s electrical or water usage; [and]

17 “(g) **Allow a registry identification cardholder and the designated**  
18 **primary caregiver of the registry identification cardholder to receive,**  
19 **free of charge, usable marijuana, in an amount not to exceed three**  
20 **pounds per year, from marijuana producers and marijuana retailers;**  
21 **and**

22 “[~~(g)(A)~~] **(h)(A)** Require a marijuana producer to meet any public health  
23 and safety standards and industry best practices established by the commis-  
24 sion by rule related to:

25 “(i) The production of marijuana; or

26 “(ii) The propagation of immature marijuana plants and [*the seeds of the*  
27 *plant Cannabis family Cannabaceae*] **marijuana seeds.**

28 “(B) For purposes of establishing rules under subparagraph (A)(ii) of this  
29 paragraph, the commission may not limit:

30 “(i) The number of immature marijuana plants that may be possessed by

1 a marijuana producer licensed under this section;

2 “(ii) The size of the grow canopy a marijuana producer licensed under this  
3 section uses to grow immature marijuana plants; or

4 “(iii) The weight or size of shipments of immature marijuana plants made  
5 by a marijuana producer licensed under this section.

6 “(4) Fees adopted under subsection (3)(b) of this section:

7 “(a) May not exceed, together with other fees collected under ORS  
8 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395;

9 “(b) Shall be in the form of a schedule that imposes a greater fee for  
10 premises with more square footage or on which more mature marijuana  
11 plants are grown; and

12 “(c) Shall be deposited in the Marijuana Control and Regulation Fund  
13 established under ORS 475B.240.

14 **“SECTION 54.** ORS 475B.090, as amended by section 2, chapter 24,  
15 Oregon Laws 2016, and section 8, chapter 83, Oregon Laws 2016, is amended  
16 to read:

17 “475B.090. (1) The processing of marijuana items is subject to regulation  
18 by the Oregon Liquor Control **and Cannabis** Commission.

19 “(2) A marijuana processor must have a processor license issued by the  
20 commission for the premises at which marijuana items are processed. To hold  
21 a processor license under this section, a marijuana processor:

22 “(a) Must apply for a license in the manner described in ORS 475B.040;

23 “(b) Must provide proof that the applicant is 21 years of age or older;

24 “(c) If the marijuana processor processes marijuana extracts, may not be  
25 located in an area zoned exclusively for residential use; and

26 “(d) Must meet the requirements of any rule adopted by the commission  
27 under subsection (3) of this section.

28 “(3) The commission shall adopt rules that:

29 “(a) Require a marijuana processor to annually renew a license issued  
30 under this section;

1       “(b) Establish application, licensure and renewal of licensure fees for  
2 marijuana processors;

3       “(c) Require marijuana processed by a marijuana processor to be tested  
4 in accordance with ORS 475B.555;

5       “(d) Allow a marijuana processor registered under section 3, chapter 83,  
6 Oregon Laws 2016, to process marijuana and usable marijuana into medical  
7 grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-  
8 tracts in the same manner that rules adopted under ORS 475B.010 to 475B.395  
9 allow a marijuana processor to process marijuana and usable marijuana into  
10 general use cannabinoid products, cannabinoid concentrates and cannabinoid  
11 extracts, excepting those circumstances where differentiating between the  
12 processing of medical grade cannabinoid products, cannabinoid concentrates  
13 and cannabinoid extracts and the processing of general use cannabinoid  
14 products, cannabinoid concentrates and cannabinoid extracts is necessary to  
15 protect the public health and safety; [*and*]

16       **“(e) Allow a registry identification cardholder and the designated  
17 primary caregiver of the registry identification cardholder to receive,  
18 free of charge, cannabinoid extracts, in an amount not to exceed 240  
19 grams per year, from marijuana processors and marijuana retailers;  
20 and**

21       “[(e)] (f) Require a marijuana processor to meet any public health and  
22 safety standards and industry best practices established by the commission  
23 by rule related to:

24       “(A) Cannabinoid edibles;

25       “(B) Cannabinoid concentrates;

26       “(C) Cannabinoid extracts; and

27       “(D) Any other type of cannabinoid product identified by the commission  
28 by rule.

29       “(4) Fees adopted under subsection (3)(b) of this section:

30       “(a) May not exceed, together with other fees collected under ORS

1 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and  
2 “(b) Shall be deposited in the Marijuana Control and Regulation Fund  
3 established under ORS 475B.240.

4 **“SECTION 55.** ORS 475B.110, as amended by section 4, chapter 24,  
5 Oregon Laws 2016, and section 10, chapter 83, Oregon Laws 2016, is amended  
6 to read:

7 “475B.110. (1) The retail sale of marijuana items is subject to regulation  
8 by the Oregon Liquor Control **and Cannabis** Commission.

9 “(2) A marijuana retailer must have a retail license issued by the com-  
10 mission for the premises at which marijuana items are sold. To hold a retail  
11 license under this section, a marijuana retailer:

12 “(a) Must apply for a license in the manner described in ORS 475B.040;

13 “(b) Must provide proof that the applicant is 21 years of age or older;

14 “(c) May not be located in an area that is zoned exclusively for residen-  
15 tial use;

16 “(d) Except as provided in section 29b, chapter 83, Oregon Laws 2016, may  
17 not be located within 1,000 feet of:

18 “(A) A public elementary or secondary school for which attendance is  
19 compulsory under ORS 339.020; or

20 “(B) A private or parochial elementary or secondary school, teaching  
21 children as described in ORS 339.030 (1)(a); and

22 “(e) Must meet the requirements of any rule adopted by the commission  
23 under subsection (3) of this section.

24 “(3) The commission shall adopt rules that:

25 “(a) Require a marijuana retailer to annually renew a license issued un-  
26 der this section;

27 “(b) Establish application, licensure and renewal of licensure fees for  
28 marijuana retailers;

29 “(c) Require marijuana items sold by a marijuana retailer to be tested in  
30 accordance with ORS 475B.555;

1       “(d) Subject to the limitations and privileges described in section 5 (4),  
2 chapter 83, Oregon Laws 2016, allow a marijuana retailer registered under  
3 section 5, chapter 83, Oregon Laws 2016, to sell medical grade cannabinoid  
4 products, cannabinoid concentrates and cannabinoid extracts at retail in the  
5 same manner that rules adopted under ORS 475B.010 to 475B.395 allow a  
6 marijuana retailer to sell general use cannabinoid products, cannabinoid  
7 concentrates and cannabinoid extracts at retail, excepting those circum-  
8 stances where differentiating between the sale of medical grade cannabinoid  
9 products, cannabinoid concentrates and cannabinoid extracts and the sale  
10 of general use cannabinoid products, cannabinoid concentrates and  
11 cannabinoid extracts is necessary to protect the public health and safety;  
12 [and]

13       “(e) **Allow a registry identification cardholder and the designated**  
14 **primary caregiver of the registry identification cardholder to receive,**  
15 **free of charge, usable marijuana, in an amount not to exceed three**  
16 **pounds per year, and cannabinoid extracts, in an amount not to exceed**  
17 **240 grams per year, from marijuana producers, marijuana processors**  
18 **and marijuana retailers; and**

19       “[(e)] (f) Require a marijuana retailer to meet any public health and  
20 safety standards and industry best practices established by the commission  
21 by rule.

22       “(4) Fees adopted under subsection (3)(b) of this section:

23       “(a) May not exceed, together with other fees collected under ORS  
24 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and

25       “(b) Shall be deposited in the Marijuana Control and Regulation Fund  
26 established under ORS 475B.240.

27       “**SECTION 56.** Section 2, chapter 83, Oregon Laws 2016, is amended to  
28 read:

29       “**Sec 2.** [(1) *As used in this section, ‘designated primary caregiver,’*  
30 *‘marijuana processing site,’ ‘medical marijuana dispensary’ and ‘registry*

1 *identification cardholder*'

2 have the meanings given those terms in ORS 475B.410.]

3 “[2] (1) To produce marijuana for medical purposes, a marijuana pro-  
4 ducer that holds a license **issued** under ORS 475B.070 must register with the  
5 Oregon Liquor Control **and Cannabis** Commission under this section.

6 “[3] (2) The commission shall register a marijuana producer for the  
7 purpose of producing marijuana for medical purposes if the marijuana pro-  
8 ducer:

9 “(a) Holds a license **issued** under ORS 475B.070;

10 “(b) Meets any qualifications adopted by the commission by rule;

11 “(c) Applies to the commission in a form and manner prescribed by the  
12 commission; and

13 “(d) Pays any fee adopted by the commission by rule.

14 “[4](a) *A marijuana producer registered under this section may produce*  
15 *marijuana for a registry identification cardholder, and provide usable*  
16 *marijuana to the registry identification cardholder or to the designated pri-*  
17 *mary caregiver of the registry identification cardholder, if the marijuana pro-*  
18 *ducer enters into an agreement with the registry identification cardholder for*  
19 *whom the marijuana producer is producing the marijuana. An agreement en-*  
20 *tered into under this subsection.;*

21 “[A] *Must be submitted to the commission in a manner prescribed by the*  
22 *commission.;*

23 “[B] *Except as provided in subparagraph (C) of this paragraph, may not*  
24 *allow the marijuana producer to be compensated for producing the marijuana*  
25 *or providing the usable marijuana.;*

26 “[C] *May require a registry identification cardholder, or a designated*  
27 *primary caregiver on behalf of a registry identification cardholder, to reim-*  
28 *burse a marijuana producer for all costs associated with producing marijuana*  
29 *for the registry identification cardholder or providing usable marijuana to the*  
30 *registry identification cardholder or designated primary caregiver.;*

1       “(D) May not allow the marijuana producer to produce for the registry  
2 identification cardholder an amount of mature marijuana plants that exceeds  
3 the amount that a registry identification cardholder and a designated primary  
4 caregiver may jointly possess under ORS 475B.428;]

5       “(E) May not allow the marijuana producer to provide to the registry  
6 identification cardholder an amount of usable marijuana that exceeds the  
7 amount that a registry identification cardholder and a designated primary  
8 caregiver may jointly possess under ORS 475B.430; and]

9       “(F) May allow the marijuana producer to keep a portion of the usable  
10 marijuana harvested from the marijuana produced for the registry identifica-  
11 tion cardholder for the purposes of:]

12       “[(i) Providing usable marijuana to additional registry identification  
13 cardholders or designated primary caregivers; and]

14       “[(ii) Transferring or selling usable marijuana to marijuana processing  
15 sites or medical marijuana dispensaries.]

16       “[(c) Marijuana produced for a registry identification cardholder, and us-  
17 able marijuana transferred or sold to a marijuana processing site or medical  
18 marijuana dispensary, pursuant to an agreement entered into under this sub-  
19 section must be tracked by the system developed and maintained under ORS  
20 475B.150.]

21       “[(d)(A) Upon request by the commission, the Oregon Health Authority  
22 shall provide the commission, notwithstanding any laws relating to the  
23 confidentiality of information under ORS 475B.460 and 475B.462, with the  
24 registration information of:]

25       “[(i) A registry identification cardholder who enters into an agreement un-  
26 der this subsection; or]

27       “[(ii) A registry identification cardholder, designated primary caregiver,  
28 marijuana processing site or medical marijuana dispensary that receives usa-  
29 ble marijuana pursuant to an agreement entered into under this subsection.]

30       “[(B) Registration information received by the commission under this par-

1 *agraph that is confidential and not subject to public disclosure under ORS*  
2 *475B.460 and 475B.462 remains confidential and not subject to public disclo-*  
3 *sure after being provided to the commission.]*

4 *“(e) Marijuana produced pursuant to an agreement entered into under this*  
5 *subsection is not subject to rules restricting the size of mature marijuana plant*  
6 *grow canopies adopted by the commission under ORS 475B.075.]*

7 *“[(5)(a) The commission shall adopt rules necessary to administer this sec-*  
8 *tion, including rules:]*

9 *“[(A) For the equitable conversion of a number of mature marijuana plants*  
10 *to a size of mature marijuana plant grow canopy;]*

11 *“[(B) Limiting the amount of marijuana that may be produced under section*  
12 *(4) of this section;]*

13 *“[(C) Limiting the amount of usable marijuana that may be provided,*  
14 *transferred or sold under subsection (4)(a)(F) of this section;]*

15 *“[(D) Limiting the number of registry identification cardholders for whom*  
16 *a marijuana producer registered under this section may produce marijuana;*  
17 *and]*

18 *“[(E) Prohibiting a registry identification cardholder from entering into*  
19 *more than one agreement with a marijuana producer registered under this*  
20 *section.]*

21 **“(3) Subject to subsection (4) of this section, a marijuana producer**  
22 **registered under this section may produce mature marijuana plants**  
23 **on a medically designated grow canopy in addition to producing ma-**  
24 **ture marijuana plants on the grow canopy allowed under ORS 475B.075.**  
25 **The commission shall specify the size of medically designated grow**  
26 **canopies by rule, provided that the size of any medically designated**  
27 **grow canopy does not exceed ten percent of the total size of both the**  
28 **medically designated grow canopy and the grow canopy allowed under**  
29 **ORS 475B.075 at the time that the marijuana producer applies for**  
30 **registration under this section.**



1       “(4) A marijuana producer registered under this section must pro-  
2 vide, for no consideration, at least 75 percent of the usable marijuana  
3 harvested from the marijuana producer’s medically designated grow  
4 canopy to registry identification cardholders and designated primary  
5 caregivers.

6       “(5) A marijuana producer registered under this section may not,  
7 during a single transaction, provide a registry identification  
8 cardholder or the designated primary caregiver of a registry identifi-  
9 cation cardholder an amount of usable marijuana that exceeds the  
10 amount of usable marijuana that a registry identification cardholder  
11 and a designated primary caregiver may jointly possess under ORS  
12 475B.430.

13       “(6)(a) The commission shall adopt rules necessary to administer  
14 this section.

15       “(b) The rules must specify that a registry identification cardholder  
16 and the designated primary caregiver of the registry identification  
17 cardholder may receive not more than three pounds of usable  
18 marijuana per year pursuant to this section and ORS 475B.070 and  
19 475B.110 and section 5, chapter 83, Oregon Laws 2016.

20       “(c) The rules must establish sanctions for failure to meet the re-  
21 quirements of this section or a rule adopted under this section, in-  
22 cluding revocation of the marijuana producer’s medically designated  
23 grow canopy.

24       “[(b)] (d) The rules must provide that any fee adopted by the commission  
25 under subsection (3)(d) of this section be in an amount reasonably calculated  
26 to not exceed, together with other fees collected under ORS 475B.010 to  
27 475B.395, the cost of administering ORS 475B.010 to 475B.395.

28       “**SECTION 57.** Section 3, chapter 83, Oregon Laws 2016, is amended to  
29 read:

30       “**Sec. 3.** (1) To process marijuana for medical purposes, a marijuana

1 processor that holds a license under ORS 475B.090 must register with the  
2 Oregon Liquor Control **and Cannabis** Commission under this section.

3 “(2) The commission shall register a marijuana processor for the purpose  
4 of processing marijuana for medical purposes if the marijuana processor:

5 “(a) Holds a license under ORS 475B.090;

6 “(b) Meets any qualifications adopted by the commission by rule;

7 “(c) Applies to the commission in a form and manner prescribed by the  
8 commission; and

9 “(d) Pays any fee adopted by the commission by rule.

10 “(3) A marijuana processor registered under this section may:

11 “(a) Process marijuana and usable marijuana into medical grade  
12 cannabinoid products, cannabinoid concentrates and cannabinoid extracts[.];

13 “(b) **May, for a fee, process marijuana and usable marijuana into**  
14 **medical grade cannabinoid products, cannabinoid concentrates and**  
15 **cannabinoid extracts for a registry identification cardholder or the**  
16 **designated primary caregiver of a registry identification cardholder;**  
17 **and**

18 “(c) **May provide, free of charge, medical grade cannabinoid ex-**  
19 **tracts to a registry identification cardholder or the designated primary**  
20 **caregiver of the registry identification cardholder.**

21 “[4] (a) The commission shall adopt rules necessary to administer this  
22 section.

23 “(b) **The rules must specify that a registry identification cardholder**  
24 **and the designated primary caregiver of the registry identification**  
25 **cardholder may receive not more than 240 grams of medical grade**  
26 **cannabinoid extracts per year pursuant to subsection (3)(c) of this**  
27 **section and ORS 475B.090 and 475B.110 and section 5, chapter 83,**  
28 **Oregon Laws 2016.**

29 “(c) The rules must provide that any fee adopted by the commission under  
30 subsection (2)(d) of this section be in an amount reasonably calculated to not

1 exceed, together with other fees collected under ORS 475B.010 to 475B.395,  
2 the cost of administering ORS 475B.010 to 475B.395.

3 **SECTION 58.** Section 4, chapter 83, Oregon Laws 2016, is amended to  
4 read:

5 **“Sec. 4.** (1) To sell marijuana **items** at wholesale for medical purposes,  
6 a marijuana wholesaler that holds a license under ORS 475B.100 must reg-  
7 ister with the Oregon Liquor Control **and Cannabis** Commission under this  
8 section.

9 “(2) The commission shall register a marijuana wholesaler for the purpose  
10 of selling marijuana **items** at wholesale for medical purposes if the  
11 marijuana wholesaler:

12 “(a) Holds a license under ORS 475B.100;

13 “(b) Meets any qualifications adopted by the commission by rule;

14 “(c) Applies to the commission in a form and manner prescribed by the  
15 commission; and

16 “(d) Pays any fee adopted by the commission by rule.

17 “(3) A marijuana wholesaler registered under this section may sell med-  
18 ical grade cannabinoid products, cannabinoid concentrates and cannabinoid  
19 extracts at wholesale.

20 “(4) The commission shall adopt rules necessary to administer this sec-  
21 tion. The rules must provide that any fee adopted by the commission under  
22 subsection (2)(d) of this section be in an amount reasonably calculated to not  
23 exceed, together with other fees collected under ORS 475B.010 to 475B.395,  
24 the cost of administering ORS 475B.010 to 475B.395.

25 **SECTION 59.** Section 5, chapter 83, Oregon Laws 2016, is amended to  
26 read:

27 **“Sec. 5.** *[(1) As used in this section, ‘designated primary caregiver’ and*  
28 *‘registry identification cardholder’ have the meanings given those terms in*  
29 *ORS 475B.410.]*

30 **“[(2)] (1)** To sell marijuana **items** at retail for medical purposes, a

1 marijuana retailer that holds a license under ORS 475B.110 must register  
2 with the Oregon Liquor Control **and Cannabis** Commission under this sec-  
3 tion.

4 “[(3)] **(2)** The commission shall register a marijuana retailer for the pur-  
5 pose of selling marijuana **items** at retail for medical purposes if the  
6 marijuana retailer:

7 “(a) Holds a license under ORS 475B.110;

8 “(b) Meets any qualifications adopted by the commission by rule;

9 “(c) Applies to the commission in a form and manner prescribed by the  
10 commission; and

11 “(d) Pays any fee adopted by the commission by rule.

12 “[(4)] **(3)** A marijuana retailer registered under this section:

13 “(a) May sell medical grade cannabinoid products, cannabinoid concen-  
14 trates and cannabinoid extracts to registry identification cardholders and  
15 designated primary caregivers;

16 “(b) May not sell medical grade cannabinoid products, cannabinoid con-  
17 centrates and cannabinoid extracts to individuals other than registry iden-  
18 tification cardholders and designated primary caregivers;

19 “(c) May sell usable marijuana and medical grade cannabinoid products,  
20 cannabinoid concentrates and cannabinoid extracts to registry identification  
21 cardholders and designated primary caregivers at a discounted price; and

22 “(d) May provide, **free of charge**, usable marijuana and medical grade  
23 [*cannabinoid products, cannabinoid concentrates and*] cannabinoid extracts to  
24 **a** registry identification [*cardholders and designated primary caregivers*]  
25 **cardholder and the designated primary caregiver of the registry iden-**  
26 **tification cardholder** [*free of charge*].

27 “[(5)] **(4)(a)** The commission shall adopt rules necessary to administer this  
28 section.

29 “**(b) The rules must specify that a registry identification cardholder**  
30 **and the designated primary caregiver of the registry identification**

1 cardholder may receive not more than three pounds of usable  
2 marijuana and 240 grams of medical grade cannabinoid extracts per  
3 year pursuant to subsection (3)(d) of this section and ORS 475B.090 and  
4 475B.110 and sections 2 and 3, chapter 83, Oregon Laws 2016.

5 “(c) The rules must provide that any fee adopted by the commission under  
6 subsection (3)(d) of this section be in an amount reasonably calculated to not  
7 exceed, together with other fees collected under ORS 475B.010 to 475B.395,  
8 the cost of administering ORS 475B.010 to 475B.395.

9 **“SECTION 60. The Oregon Liquor Control and Cannabis Commis-**  
10 **sion shall adopt rules necessary to implement the amendments to ORS**  
11 **475B.070, 475B.090 and 475B.110 and sections 2, 3 and 5, chapter 83,**  
12 **Oregon Laws 2016, by sections 53 to 57 and 59 of this 2017 Act on or**  
13 **before March 30, 2018.**

14 **“SECTION 61. The amendments to section 2, chapter 83, Oregon**  
15 **Laws 2016, by section 56 of this 2017 Act, do not effect any contract**  
16 **entered into between a marijuana producer registered under section**  
17 **2, chapter 83, Oregon Laws 2016, and a registry identification**  
18 **cardholder, as defined in ORS 475B.410.**

19  
20 (Amendments)

21 (Effective 91st Day After Adjournment Sine Die)

22  
23 **“SECTION 62. ORS 475B.015, as amended by section 63, chapter 24,**  
24 **Oregon Laws 2016, and section 11, chapter 83, Oregon Laws 2016, is amended**  
25 **to read:**

26 “475B.015. As used in ORS 475B.010 to 475B.395:

27 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the  
28 active constituents of marijuana.

29 “(2) ‘Cannabinoid concentrate’ means a substance obtained by separating  
30 cannabinoids from marijuana by:

1       “(a) A mechanical extraction process;

2       “(b) A chemical extraction process using a nonhydrocarbon-based [*or*

3 *other*] solvent, such as water, vegetable glycerin, vegetable oils, animal fats,

4 isopropyl alcohol or ethanol;

5       “(c) A chemical extraction process using [*the hydrocarbon-based solvent*]

6 carbon dioxide, provided that the process does not involve the use of high

7 heat or pressure; or

8       “(d) Any other process identified by the Oregon Liquor Control **and**

9 **Cannabis** Commission, in consultation with the Oregon Health Authority,

10 by rule.

11       “(3) ‘Cannabinoid edible’ means food or potable liquid into which a

12 cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or

13 flowers have been incorporated.

14       “(4) ‘Cannabinoid extract’ means a substance obtained by separating

15 cannabinoids from marijuana by:

16       “(a) A chemical extraction process using a hydrocarbon-based solvent,

17 such as butane, hexane or propane;

18       “(b) A chemical extraction process using [*the hydrocarbon-based solvent*]

19 carbon dioxide, if the process uses high heat or pressure; or

20       “(c) Any other process identified by the commission, in consultation with

21 the authority, by rule.

22       “(5)(a) ‘Cannabinoid product’ means a cannabinoid edible and any other

23 product intended for human consumption or use, including a product in-

24 tended to be applied to the skin or hair, that contains cannabinoids or dried

25 marijuana leaves or flowers.

26       “(b) ‘Cannabinoid product’ does not include:

27       “(A) Usable marijuana by itself;

28       “(B) A cannabinoid concentrate by itself;

29       “(C) A cannabinoid extract by itself; or

30       “(D) Industrial hemp, as defined in ORS 571.300.

1       “(6) ‘Consumer’ means a person who purchases, acquires, owns, holds or  
2 uses marijuana items other than for the purpose of resale.

3       “(7) ‘Designated primary caregiver’ has the meaning given that  
4 term in ORS 475B.410.

5       “[(7)(a)] (8)(a) ‘Financial consideration’ means value that is given or re-  
6 ceived either directly or indirectly through sales, barter, trade, fees, charges,  
7 dues, contributions or donations.

8       “(b) ‘Financial consideration’ does not include marijuana, cannabinoid  
9 products or cannabinoid concentrates that are delivered within the scope of  
10 and in compliance with ORS 475B.245.

11       “[(8)] (9) ‘Homegrown’ means grown by a person 21 years of age or older  
12 for noncommercial purposes.

13       “[(9)] (10) ‘Household’ means a housing unit and any place in or around  
14 a housing unit at which the occupants of the housing unit are producing,  
15 processing, possessing or storing homegrown marijuana, cannabinoid pro-  
16 ducts, cannabinoid concentrates or cannabinoid extracts.

17       “[(10)] (11) ‘Housing unit’ means a house, an apartment or a mobile home,  
18 or a group of rooms or a single room that is occupied as separate living  
19 quarters, in which the occupants live and eat separately from any other  
20 persons in the building and that has direct access from the outside of the  
21 building or through a common hall.

22       “[(11)] (12) ‘Immature marijuana plant’ means a marijuana plant that is  
23 not flowering.

24       “[(12)] (13) ‘Licensee’ means a person [who] **that** holds a license issued  
25 under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

26       “[(13)] (14) ‘Licensee representative’ means an owner, director, officer,  
27 manager, employee, agent or other representative of a licensee, to the extent  
28 that the person acts in a representative capacity.

29       “[(14)(a)] (15)(a) ‘Marijuana’ means the plant Cannabis family  
30 Cannabaceae, any part of the plant Cannabis family Cannabaceae and [the

1 *seeds of the plant Cannabis family Cannabaceae*] **marijuana seeds.**

2 “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS  
3 571.300.

4 “[~~(15)~~] **(16)** ‘Marijuana flowers’ means the flowers of the plant genus  
5 Cannabis within the plant family Cannabaceae.

6 “[~~(16)~~] **(17)** ‘Marijuana items’ means marijuana, cannabinoid products,  
7 cannabinoid concentrates and cannabinoid extracts.

8 “[~~(17)~~] **(18)** ‘Marijuana leaves’ means the leaves of the plant genus  
9 Cannabis within the plant family Cannabaceae.

10 “[~~(18)~~] **(19)** ‘Marijuana processor’ means a person who processes  
11 marijuana items in this state.

12 “[~~(19)~~] **(20)** ‘Marijuana producer’ means a person who produces marijuana  
13 in this state.

14 “[~~(20)~~] **(21)** ‘Marijuana retailer’ means a person who sells marijuana items  
15 to a consumer in this state.

16 “**(22)(a)** ‘**Marijuana seeds**’ means the seeds of the plant Cannabis  
17 family Cannabaceae.

18 “**(b)** ‘**Marijuana seeds**’ does not include the seeds of industrial  
19 hemp, as defined in ORS 571.300.

20 “[~~(21)~~] **(23)** ‘Marijuana wholesaler’ means a person who purchases  
21 marijuana items in this state for resale to a person other than a consumer.

22 “[~~(22)~~] **(24)** ‘Mature marijuana plant’ means a marijuana plant that is not  
23 an immature marijuana plant.

24 “[~~(23)~~] **(25)** ‘Medical grade cannabinoid product, cannabinoid concentrate  
25 or cannabinoid extract’ means a cannabinoid product, cannabinoid concen-  
26 trate or cannabinoid extract that has a concentration of  
27 tetrahydrocannabinol that is permitted under ORS 475B.625 in a single  
28 serving of the cannabinoid product, cannabinoid concentrate or cannabinoid  
29 extract for consumers who hold a valid registry identification card issued  
30 under ORS 475B.415.



1       “[(24)] (26) ‘Medical purpose’ means a purpose related to using usable  
2 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid  
3 extracts to mitigate the symptoms or effects of a debilitating medical condi-  
4 tion, as defined in ORS 475B.410.

5       “[(25)] (27) ‘Noncommercial’ means not dependent or conditioned upon the  
6 provision or receipt of financial consideration.

7       “[(26)(a)] (28)(a) ‘Premises’ [or ‘licensed premises’] includes the following  
8 areas of a location licensed under ORS [475B.070, 475B.090, 475B.100 or  
9 475B.110] **475B.010 to 475B.395:**

10       “(A) All public and private enclosed areas at the location that are used  
11 in the business operated at the location, including offices, kitchens, rest  
12 rooms and storerooms;

13       “(B) All areas outside a building that the commission has specifically li-  
14 censed for the processing, wholesale sale or retail sale of marijuana items;  
15 and

16       “(C) For a location that the commission has specifically licensed for the  
17 production of marijuana outside a building, that portion of the location used  
18 to produce marijuana.

19       “(b) ‘Premises’ [or ‘licensed premises’] does not include a primary resi-  
20 dence, **unless the primary residence is the location of a grow canopy**  
21 **of a marijuana producer that holds a license issued under ORS**  
22 **475B.070.**

23       “[(27)(a)] (29)(a) ‘Processes’ means the processing, compounding or con-  
24 version of marijuana into cannabinoid products, cannabinoid concentrates  
25 or cannabinoid extracts.

26       “(b) ‘Processes’ does not include packaging or labeling.

27       “[(28)(a)] (30)(a) ‘Produces’ means the manufacture, planting, cultivation,  
28 growing or harvesting of marijuana.

29       “(b) ‘Produces’ does not include:

30       “(A) The drying of marijuana by a marijuana processor, if the marijuana

1 processor is not otherwise producing marijuana; or

2 “(B) The cultivation and growing of an immature marijuana plant by a  
3 marijuana processor, marijuana wholesaler or marijuana retailer if the  
4 marijuana processor, marijuana wholesaler or marijuana retailer purchased  
5 or otherwise received the plant from a licensed marijuana producer.

6 “[~~(29)~~] **(31)** ‘Propagate’ means to grow immature marijuana plants or to  
7 breed or produce [*the seeds of the plant Cannabis family Cannabaceae*]  
8 **marijuana seeds.**

9 “[~~(30)~~] **(32)** ‘Public place’ means a place to which the general public has  
10 access and includes, but is not limited to, hallways, lobbies and other parts  
11 of apartment houses and hotels not constituting rooms or apartments de-  
12 signed for actual residence, and highways, streets, schools, places of  
13 amusement, parks, playgrounds and areas used in connection with public  
14 passenger transportation.

15 “**(33) ‘Registry identification cardholder’ has the meaning given that**  
16 **term in ORS 475B.410.**

17 “[~~(31)(a)~~] **(34)(a)** ‘Usable marijuana’ means the dried leaves and flowers  
18 of marijuana.

19 “(b) ‘Usable marijuana’ does not include:

20 “**(A) Marijuana seeds;**

21 “[~~(A)~~] **(B)** The [*seeds,*] stalks and roots of marijuana; or

22 “[~~(B)~~] **(C)** Waste material that is a by-product of producing or processing  
23 marijuana.

24 “**SECTION 63.** ORS 475B.025 is amended to read:

25 “475B.025. (1) The Oregon Liquor Control **and Cannabis** Commission has  
26 the [*powers and*] duties, **functions and powers** specified in ORS 475B.010  
27 to 475B.395 and the powers necessary or proper to enable the commission to  
28 carry out the commission’s duties, functions and powers under ORS 475B.010  
29 to 475B.395. The jurisdiction, supervision, duties, functions and powers of the  
30 commission extend to any person who [*buys, sells,*] produces, processes,

1 transports [*or delivers any marijuana items within*], **delivers, sells or pur-**  
2 **chases a marijuana item in** this state. The commission may sue and be  
3 sued.

4 “(2) The duties, functions and powers of the commission **specified** in ORS  
5 475B.010 to 475B.395 include the following:

6 “(a) To regulate the [*purchase, sale,*] production, processing, transporta-  
7 tion [*and*], delivery, **sale and purchase** of marijuana items in accordance  
8 with the provisions of ORS 475B.010 to 475B.395.

9 “(b) To [*grant, refuse, suspend or cancel*] **issue, renew, suspend, revoke**  
10 **or refuse to issue or renew** licenses for the [*sale, processing or*]  
11 production, **processing or sale** of marijuana items, or other licenses [*in re-*  
12 *gard to*] **related to the consumption of** marijuana items, and to permit, in  
13 the commission’s discretion, the transfer of a license between persons.

14 “[*(c) To investigate and aid in the prosecution of every violation of the*  
15 *statutory laws of this state relating to marijuana items and to cooperate in the*  
16 *prosecution of offenders before any state court of competent jurisdiction.*]

17 “[*(d)*] **(c)** To adopt, amend or repeal rules as necessary to carry out the  
18 intent and provisions of ORS 475B.010 to 475B.395, including rules that the  
19 commission considers necessary to protect the public health and safety.

20 “[*(e)*] **(d)** To exercise all powers incidental, convenient or necessary to  
21 enable the commission to administer or carry out the provisions of ORS  
22 475B.010 to 475B.395 or any other law of this state that charges the com-  
23 mission with a duty, function or power related to marijuana. Powers de-  
24 scribed in this paragraph include, but are not limited to:

25 “(A) Issuing subpoenas;

26 “(B) Compelling the attendance of witnesses;

27 “(C) Administering oaths;

28 “(D) Certifying official acts;

29 “(E) Taking depositions as provided by law;

30 “(F) Compelling the production of books, payrolls, accounts, papers, re-

1 cords, documents and testimony; and

2 “(G) Establishing fees in addition to the application, licensing and re-  
3 newal fees described in ORS 475B.070, 475B.090, 475B.100 and 475B.110, pro-  
4 vided that any fee established by the commission is reasonably calculated  
5 not to exceed the cost of the activity for which the fee is charged.

6 “[~~(f)~~] (e) To adopt rules regulating and prohibiting [*marijuana producers,*  
7 *marijuana processors, marijuana wholesalers and marijuana retailers from*]  
8 advertising marijuana items in a manner:

9 “(A) That is appealing to minors;

10 “(B) That promotes excessive use;

11 “(C) That promotes illegal activity; or

12 “(D) That otherwise presents a significant risk to public health and  
13 safety.

14 “(g) To regulate the use of marijuana items for [*scientific, pharmaceutical,*  
15 *manufacturing, mechanical, industrial and*] other purposes **as deemed nec-**  
16 **essary or appropriate by the commission.**

17 “(3) Fees collected pursuant to subsection (2)(e)(G) of this section shall  
18 be deposited in the Marijuana Control and Regulation Fund established un-  
19 der ORS 475B.240.

20 “**SECTION 64.** ORS 475B.030 is amended to read:

21 “475B.030. The Oregon Liquor Control **and Cannabis** Commission may  
22 purchase, possess, seize or dispose of marijuana items as is necessary for the  
23 commission to ensure compliance with and enforce the provisions of ORS  
24 475B.010 to 475B.395 and any rule adopted under ORS 475B.010 to 475B.395.

25 “**SECTION 65.** ORS 475B.033 is amended to read:

26 “475B.033. The Oregon Liquor Control **and Cannabis** Commission may,  
27 by **rule or** order, provide for the manner and conditions under which:

28 “(1) Marijuana items left by a deceased, insolvent or bankrupt person or  
29 licensee, or subject to a security interest, may be foreclosed, sold under ex-  
30 ecution or otherwise disposed.

1       “(2) The business of a deceased, insolvent or bankrupt licensee may be  
2 operated for a reasonable period following the death, insolvency or bank-  
3 ruptcy.

4       “(3) A secured party, as defined in ORS 79.0102, may continue to operate  
5 a [*business*] **premises** for which a license has been issued under ORS  
6 [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395** for a rea-  
7 sonable period after default on the indebtedness by the debtor.

8       “**SECTION 66.** ORS 475B.035 is amended to read:

9       “475B.035. The Oregon Liquor Control **and Cannabis** Commission may  
10 limit the quantity of marijuana items purchased at any one time by a con-  
11 sumer [*so as effectually to*] **if the commission determines that the limi-**  
12 **tation is necessary to** prevent the resale of marijuana items.

13       “**SECTION 67.** ORS 475B.040 is amended to read:

14       “475B.040. (1) An applicant for a license or renewal of a license under  
15 ORS 475B.010 to 475B.395 shall apply to the Oregon Liquor Control **and**  
16 **Cannabis** Commission in the form required by the commission **by rule,**  
17 showing the name and address of the applicant, location of the [*place of*  
18 *business*] **premises** that is to be operated under the license and other perti-  
19 nent information required by the commission. The commission may not  
20 [*grant*] **issue** or renew a license until the applicant has complied with the  
21 provisions of ORS 475B.010 to 475B.395 and [*the rules of the commission*]  
22 **rules adopted under ORS 475B.010 to 475B.395.**

23       “(2) The commission may reject any application that is not submitted in  
24 the form required **by the commission** by rule. The commission shall give  
25 applicants an opportunity to be heard if an application is rejected. A hearing  
26 under this subsection is not subject to the requirements for contested case  
27 proceedings under ORS chapter 183.

28       “(3) Except as provided in subsection (2) of this section, a revocation of,  
29 or a refusal to issue or renew, a license under ORS 475B.010 to 475B.395 is  
30 subject to the requirements for contested case proceedings under ORS chap-

1 ter 183.

2 **“SECTION 68.** ORS 475B.045 is amended to read:

3 “475B.045. (1) The Oregon Liquor Control **and Cannabis** Commission may  
4 not license an applicant under the provisions of ORS 475B.010 to 475B.395  
5 if the applicant is under 21 years of age.

6 “(2) The commission may refuse to license an applicant under the pro-  
7 visions of ORS 475B.010 to 475B.395 if the commission [*has reasonable ground*  
8 *to believe*] **makes a finding** that the applicant:

9 “(a) Is in the habit of using alcoholic beverages, habit-forming drugs,  
10 marijuana or controlled substances to excess.

11 “(b) Has made false statements to the commission.

12 “(c) Is incompetent or physically unable to carry on the management of  
13 the establishment proposed to be licensed.

14 “(d) Has been convicted of violating a [*general or local law of this state*  
15 *or another state, or of violating a federal law,*] **federal law, state law or**  
16 **local ordinance** if the conviction is substantially related to the fitness and  
17 ability of the applicant to lawfully carry out activities under the license.

18 “(e) Is not of good repute and moral character.

19 “(f) Does not have a good record of compliance with ORS 475B.010 to  
20 475B.395 or any rule [*of the commission*] adopted under ORS 475B.010 to  
21 475B.395.

22 “(g) Is not the legitimate owner of the [*business*] **premises** proposed to  
23 be licensed, or **has not disclosed that** other persons have ownership inter-  
24 ests in the [*business that have not been disclosed.*] **premises proposed to**  
25 **be licensed.**

26 “(h) [*Is not possessed of or*] Has not demonstrated financial responsibility  
27 sufficient to adequately meet the requirements of the [*business*] **premises**  
28 proposed to be licensed.

29 “(i) Is unable to understand the laws of this state relating to marijuana  
30 **items** or the rules of the commission relating to marijuana **items.**

1       “(3) Notwithstanding subsection (2)(d) of this section, in determining  
2 whether the commission may refuse to license an applicant, the commission  
3 may not consider the prior conviction of the applicant or any owner, direc-  
4 tor, officer, manager, employee, agent or other representative of the appli-  
5 cant for:

6       “(a) The manufacture of marijuana, if:

7       “(A) The date of the conviction is two or more years before the date of  
8 the application; and

9       “(B) The person has not been convicted more than once for the manufac-  
10 ture or delivery of marijuana;

11       “(b) The delivery of marijuana to a person 21 years of age or older, if:

12       “(A) The date of the conviction is two or more years before the date of  
13 the application; and

14       “(B) The person has not been convicted more than once for the manufac-  
15 ture or delivery of marijuana; or

16       “(c) The possession of marijuana.

17       “**SECTION 69.** ORS 475B.050, as amended by section 8, chapter 23,  
18 Oregon Laws 2016, is amended to read:

19       “475B.050. For the purpose of requesting a state or nationwide criminal  
20 records check under ORS 181A.195, the Oregon Liquor Control **and**  
21 **Cannabis** Commission may require the fingerprints of any individual listed  
22 on an application submitted under ORS 475B.040. The powers conferred on  
23 the commission under this section include the power to require the finger-  
24 prints of:

25       “(1) If the applicant is a limited partnership, each partner of the limited  
26 partnership;

27       “(2) If the applicant is a limited liability company, each member of the  
28 limited liability company;

29       “(3) If the applicant is a corporation, each director and officer of the  
30 corporation;

1 “(4) Any individual who holds a financial interest of 10 percent or more  
2 in the person applying for the license; and

3 “(5) Any individual who is a partner, member, director or officer of a legal  
4 entity with a financial interest in the person applying for the license.

5 **“SECTION 70.** ORS 475B.055 is amended to read:

6 “475B.055. A license [*granted*] **issued** under ORS 475B.010 to 475B.395:

7 “(1) Is a [*purely*] personal privilege.

8 “[*(2) Is valid for the period stated in the license.*]

9 “[*(3)*] **(2)** Is renewable in the manner provided in ORS 475B.040, except for  
10 a cause that would be grounds for refusal to issue the license under ORS  
11 475B.045.

12 “[*(4)*] **(3)** Is revocable or suspendible as provided in ORS 475B.210.

13 “[*(5)*] **(4)** Is transferable from the premises for which the license was ori-  
14 ginally issued to another premises subject to the provisions of ORS 475B.010  
15 to 475B.395, applicable rules [*of the Oregon Liquor Control Commission*]  
16 **adopted under ORS 475B.010 to 475B.395** and applicable local ordinances.

17 “[*(6)*] **(5) If the licensee was issued to an individual,** expires upon the  
18 death of the licensee, except as provided in ORS 475B.033.

19 “[*(7)*] **(6)** Does not constitute property.

20 “[*(8)*] **(7)** Is not alienable.

21 “[*(9)*] **(8)** Is not subject to attachment or execution.

22 “[*(10)*] **(9)** Does not descend by the laws of testate or intestate devolution.

23 **“SECTION 71.** ORS 475B.060 is amended to read:

24 “475B.060. (1) The Oregon Liquor Control **and Cannabis** Commission  
25 shall approve or deny an application to [*produce, process and sell marijuana*  
26 *under ORS 475B.070, 475B.090, 475B.100 and 475B.110*] **be licensed under**  
27 **ORS 475B.010 to 475B.395.** Upon receiving an application **under ORS**  
28 **475B.040,** the commission may not unreasonably delay processing, approving  
29 or denying the application or, if the application is approved, issuing the li-  
30 cense.



1 “(2) The licenses described in ORS [475B.070, 475B.090, 475B.100 and  
2 475B.110] **475B.010 to 475B.395** must be issued by the commission, subject to  
3 the provisions of ORS 475B.010 to 475B.395 and [the] rules adopted under  
4 ORS 475B.010 to 475B.395.

5 “(3) The commission may not license a premises that does not have de-  
6 fined boundaries. A [licensed] premises does not need to be enclosed by a  
7 wall, fence or other structure, but the commission may require [that] a [li-  
8 censed] premises **to** be enclosed as a condition of issuing or renewing a li-  
9 cense. The commission may not license **a** mobile premises.

10 **“SECTION 72.** ORS 475B.063, as amended by section 11, chapter 24,  
11 Oregon Laws 2016, is amended to read:

12 “475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090,  
13 475B.100 or 475B.110, an applicant shall request a land use compatibility  
14 statement from the city or county that authorizes the land use. The land use  
15 compatibility statement must demonstrate that the requested license is for  
16 a land use that is allowable as a permitted or conditional use within the  
17 given zoning designation where the land is located. The Oregon Liquor  
18 Control **and Cannabis** Commission may not issue a license if the land use  
19 compatibility statement shows that the proposed land use is prohibited in the  
20 applicable zone.

21 “(2) Except as provided in subsection (3) of this section, a city or county  
22 that receives a request for a land use compatibility statement under this  
23 section must act on that request within 21 days of:

24 “(a) Receipt of the request, if the land use is allowable as an outright  
25 permitted use; or

26 “(b) Final local permit approval, if the land use is allowable as a condi-  
27 tional use.

28 “(3) A city or county that receives a request for a land use compatibility  
29 statement under this section is not required to act on that request during  
30 the period that the commission discontinues licensing those premises pursu-

1 ant to ORS 475B.800 (4)(b).

2 “(4) A city or county action concerning a land use compatibility state-  
3 ment under this section is not a land use decision for purposes of ORS  
4 chapter 195, 196, 197, 215 or 227.

5 **“SECTION 73.** ORS 475B.065 is amended to read:

6 “475B.065. Licensees and licensee representatives may produce, deliver  
7 and possess marijuana items subject to the provisions of ORS 475B.010 to  
8 475B.395 **and rules adopted under ORS 475B.010 to 475B.395.** The pro-  
9 duction, delivery [*and*] **or** possession of marijuana items by a licensee or a  
10 licensee representative in compliance with ORS 475B.010 to 475B.395 **and**  
11 **rules adopted under ORS 475B.010 to 475B.395** does not constitute a  
12 criminal or civil offense under the laws of this state.

13 **“SECTION 74.** ORS 475B.068 is amended to read:

14 “475B.068. [*The same person may hold one or more production licenses, one*  
15 *or more processor licenses, one or more wholesale licenses and one or more*  
16 *retail licenses.*] **A person may hold:**

17 **“(1) Multiple licenses to conduct at different premises the same**  
18 **activity for which a license is required under ORS 475B.010 to 475B.395;**  
19 **and**

20 **“(2) Multiple types of licenses to conduct at the same or different**  
21 **premises different activities for which a license is required under ORS**  
22 **475B.010 to 475B.395.**

23 **“SECTION 75.** ORS 475B.075, as amended by section 10, chapter 24,  
24 Oregon Laws 2016, is amended to read:

25 “475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor  
26 Control **and Cannabis** Commission shall adopt rules restricting the size of  
27 mature marijuana plant grow canopies at premises for which a license has  
28 been issued under ORS 475B.070. In adopting rules under this subsection, the  
29 commission shall:

30 **“(a) Limit the size of mature marijuana plant grow canopies, for premises**

1 where marijuana is grown outdoors and for premises where marijuana is  
2 grown indoors, in a manner calculated to result in premises that produce the  
3 same amount of harvested marijuana leaves and harvested marijuana flowers  
4 regardless of whether the marijuana is grown outdoors or indoors.

5 “(b) Adopt a tiered system under which the permitted size of a marijuana  
6 producer’s mature marijuana plant grow canopy increases at the time of  
7 licensure renewal under ORS 475B.070, except that the permitted size of a  
8 marijuana producer’s mature marijuana plant grow canopy may not increase  
9 following any year during which the commission disciplined the marijuana  
10 producer for violating a provision of ORS 475B.010 to 475B.395 or a rule  
11 adopted under [*a provision of*] ORS 475B.010 to 475B.395.

12 “(c) Take into consideration the market demand for marijuana items in  
13 this state, the number of [*persons*] **marijuana producers** applying for a li-  
14 cense under ORS 475B.070, [*and to whom a license has been issued*] **the**  
15 **number of marijuana producers that hold a license issued** under ORS  
16 475B.070[,] and whether the availability of marijuana items in this state is  
17 commensurate with the market demand.

18 “(2) This section:

19 “(a) Applies only to that portion of a premises for which a license has  
20 been issued under ORS 475B.070 that is used to produce mature marijuana  
21 plants; and

22 “(b) Does not apply to a premises for which a license has been issued  
23 under ORS 475B.070 if the premises is used only to propagate immature  
24 marijuana plants.

25 “**SECTION 76.** ORS 475B.100, as amended by section 3, chapter 24,  
26 Oregon Laws 2016, and section 9, chapter 83, Oregon Laws 2016, is amended  
27 to read:

28 “475B.100. (1) The wholesale sale of marijuana items is subject to regu-  
29 lation by the Oregon Liquor Control **and Cannabis** Commission.

30 “(2) A marijuana wholesaler must have a wholesale license issued by the

1 commission for the premises at which marijuana items are received, stored  
2 or delivered. To hold a wholesale license under this section, a marijuana  
3 wholesaler:

4 “(a) Must apply for a license in the manner described in ORS 475B.040;

5 “(b) Must provide proof that the applicant is 21 years of age or older;

6 “(c) May not be located in an area that is zoned exclusively for residen-  
7 tial use; and

8 “(d) Must meet the requirements of any rule adopted by the commission  
9 under subsection (3) of this section.

10 “(3) The commission shall adopt rules that:

11 “(a) Require a marijuana wholesaler to annually renew a license issued  
12 under this section;

13 “(b) Establish application, licensure and renewal of licensure fees for  
14 marijuana wholesalers;

15 “(c) Require marijuana items received, stored or delivered by a marijuana  
16 wholesaler to be tested in accordance with ORS 475B.555;

17 “(d) Allow a marijuana wholesaler registered under section 4, chapter 83,  
18 Oregon Laws 2016, to sell medical grade cannabinoid products, cannabinoid  
19 concentrates and cannabinoid extracts at wholesale in the same manner that  
20 rules adopted under ORS 475B.010 to 475B.395 allow a marijuana wholesaler  
21 to sell general use cannabinoid products, cannabinoid concentrates and  
22 cannabinoid extracts at wholesale, excepting those circumstances where dif-  
23 ferentiating between the sale of medical grade cannabinoid products,  
24 cannabinoid concentrates and cannabinoid extracts and the sale of general  
25 use cannabinoid products, cannabinoid concentrates and cannabinoid ex-  
26 tracts is necessary to protect the public health and safety; and

27 “(e) Require a marijuana wholesaler to meet any public health and safety  
28 standards and industry best practices established by the commission by rule.

29 “(4) Fees adopted under subsection (3)(b) of this section:

30 “(a) May not exceed, together with other fees collected under ORS

1 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and

2 “(b) Shall be deposited in the Marijuana Control and Regulation Fund  
3 established under ORS 475B.240.

4 **“SECTION 77.** ORS 475B.115 is amended to read:

5 “475B.115. If a school described in ORS 475B.110 (2)(d) that has not pre-  
6 viously been attended by children is established within 1,000 feet of a prem-  
7 ises for which a license has been issued under ORS 475B.110, the marijuana  
8 retailer located at that premises may remain at that location unless the  
9 Oregon Liquor Control **and Cannabis** Commission revokes the license of the  
10 marijuana retailer under ORS 475B.210.

11 **“SECTION 78.** ORS 475B.125 is amended to read:

12 “475B.125. The Oregon Liquor Control **and Cannabis** Commission may  
13 adopt rules establishing the circumstances under which the commission may  
14 require a marijuana retailer that holds a license issued under ORS 475B.110  
15 to use an age verification scanner or any other equipment used to verify a  
16 person’s age for the purpose of ensuring that the marijuana retailer does not  
17 sell marijuana items to a person under 21 years of age. [*The marijuana*  
18 *retailer may not retain any*] Information obtained under this section **may not**  
19 **be retained** after verifying a person’s age. [*The marijuana retailer may not*  
20 *use any*] Information obtained under this section **may not be used** for any  
21 purpose other than verifying a person’s age.

22 **“SECTION 79.** ORS 475B.130 is amended to read:

23 “475B.130. (1) The Oregon Liquor Control **and Cannabis** Commission [*has*  
24 *the right after 72 hours’ notice to the owner or the agent of the owner to*] **may**  
25 **after 72 hours’ notice** make an examination of the books [*and*] **of a**  
26 **licensee for the purpose of determining compliance with ORS 475B.010**  
27 **to 475B.395 and rules adopted under ORS 475B.010 to 475B.395.**

28 **“(2) The commission** may at any time make an examination of [*the*] **a**  
29 premises [*of any person licensed*] **for which a license has been issued** under  
30 ORS 475B.010 to 475B.395 for the purpose of determining compliance with

1 **the provisions of** ORS 475B.010 to 475B.395 and [*the rules of the*  
2 *commission*] **rules adopted under ORS 475B.010 to 475B.395.**

3 “[(2)] (3) The commission may not require the books of a licensee to be  
4 maintained on [*the*] a premises of the licensee.

5 “[(3)] (4) This section does not authorize the commission to make an ex-  
6 amination of [*the*] a premises of a person registered under ORS 475B.400 to  
7 475B.525.

8 “**SECTION 80.** ORS 475B.135 is amended to read:

9 “475B.135. As is necessary to protect the public health and safety, the  
10 Oregon Liquor Control **and Cannabis** Commission may require a premises  
11 licensed under ORS [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to**  
12 **475B.395** to be segregated into separate areas:

13 “(1) For conducting the activities permitted under each license, if the  
14 licensee holds more than one license issued under ORS [*475B.070, 475B.090,*  
15 *475B.100 or 475B.110*] **475B.010 to 475B.395 for the same premises;** or

16 “(2) For conducting activities related to processing marijuana into dif-  
17 ferent types of cannabinoid products, cannabinoid concentrates or  
18 cannabinoid extracts, if the licensee is a marijuana processor **that holds a**  
19 **license issued under ORS 475B.090** and that processes marijuana into any  
20 combination of different types of products, concentrates and extracts.

21 “**SECTION 81.** ORS 475B.140 is amended to read:

22 “475B.140. As is necessary to protect the public health and safety, the  
23 Oregon Liquor Control **and Cannabis** Commission may require a [*person*  
24 *that holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110*]  
25 **licensee** to maintain general liability insurance in an amount that the  
26 commission determines is reasonably affordable and available for the purpose  
27 of protecting the [*person*] **licensee** against damages resulting from a cause  
28 of action related to activities undertaken pursuant to the license **held by**  
29 **the licensee.**

30 “**SECTION 82.** ORS 475B.145 is amended to read:

1       “475B.145. In adopting rules related to industry best practices under ORS  
2 475B.070, 475B.090, 475B.100 and 475B.110, the Oregon Liquor Control **and**  
3 **Cannabis** Commission may establish merit-based criteria for licensure or  
4 renewal of licensure, including, but not limited to, possession of a developed  
5 business plan, access to sufficient capital, offering living wages and benefits  
6 to employees, provision of training and apprenticeship, provision of commu-  
7 nity benefits, implementation of best environmental practices and implemen-  
8 tation of consumer safety practices.

9       “**SECTION 83.** ORS 475B.150, as amended by section 64, chapter 24,  
10 Oregon Laws 2016, is amended to read:

11       “475B.150. (1) The Oregon Liquor Control **and Cannabis** Commission  
12 shall develop and maintain a system for tracking the transfer of marijuana  
13 items between premises **for which licenses have been issued under ORS**  
14 **475B.010 to 475B.395.**

15       “(2) The purposes of the system developed and maintained under this  
16 section include, but are not limited to:

17       “(a) Preventing the diversion of marijuana items to criminal enterprises,  
18 gangs, cartels and other states;

19       “(b) Preventing persons from substituting or tampering with marijuana  
20 items;

21       “(c) Ensuring an accurate accounting of the production, processing and  
22 sale of marijuana items;

23       “(d) Ensuring that laboratory testing results are accurately reported; and

24       “(e) Ensuring compliance with [*the provisions of*] ORS 475B.010 to  
25 475B.395, rules adopted under [*the provisions of*] ORS 475B.010 to 475B.395  
26 and any other law of this state that charges the commission with a duty,  
27 function or power related to marijuana.

28       “(3) The system developed and maintained under this section must be ca-  
29 pable of tracking, at a minimum:

30       “(a) The propagation of immature marijuana plants and the production

1 of marijuana by a marijuana producer;

2 “(b) The processing of marijuana by a marijuana processor;

3 “(c) The receiving, storing and delivering of marijuana items by a  
4 marijuana wholesaler;

5 “(d) The sale of marijuana items by a marijuana retailer to a consumer;

6 “(e) The **sale and** purchase [*and sale*] of marijuana items between  
7 licensees, as permitted by ORS 475B.010 to 475B.395;

8 “(f) The transfer of marijuana items between premises **for which licenses**  
9 **have been issued under ORS 475B.010 to 475B.395**; and

10 “(g) Any other information that the commission determines is reasonably  
11 necessary to accomplish the duties, functions and powers of the commission  
12 under ORS 475B.010 to 475B.395.

13 **“SECTION 84.** ORS 475B.160, as amended by section 23, chapter 23,  
14 Oregon Laws 2016, section 65, chapter 24, Oregon Laws 2016, and section 12,  
15 chapter 83, Oregon Laws 2016, is amended to read:

16 “475B.160. (1) Except as provided in section 22, chapter 23, Oregon Laws  
17 2016, and section 2, chapter 83, Oregon Laws 2016, a marijuana producer **that**  
18 **holds a license issued under ORS 475B.070**, marijuana processor **that**  
19 **holds a license issued under ORS 475B.090** or marijuana wholesaler **that**  
20 **holds a license issued under ORS 475B.100** may deliver marijuana items  
21 only to or on a premises **for which a license has been issued under ORS**  
22 **475B.070, 475B.090, 475B.100 or 475B.110 or to a registry identification**  
23 **cardholder or designated primary caregiver as allowed under ORS**  
24 **475B.010 to 475B.395.**

25 “(2) [*A premises*] **A licensee to whom marijuana items may be deliv-**  
26 **ered under subsection (1) of this section** may receive marijuana items  
27 only from:

28 “[*(a) A marijuana producer, marijuana processor or marijuana wholesaler*  
29 *for whom a premises has been licensed by the Oregon Liquor Control Com-*  
30 *mission;*]



1       “(a) A marijuana producer that holds a license issued under ORS  
2 475B.070, marijuana processor that holds a license issued under ORS  
3 475B.090 or marijuana wholesaler that holds a license issued under  
4 ORS 475B.100;

5       “(b) A researcher of cannabis [*certified*] that holds a certificate issued  
6 under ORS 475B.235 [*who*] and that transfers limited amounts of marijuana,  
7 usable marijuana, cannabinoid products, cannabinoid concentrates and  
8 cannabinoid extracts in accordance with procedures adopted under ORS  
9 475B.235 (3)(d) and (e); or

10       “(c) A marijuana grow site registered under ORS 475B.420, marijuana  
11 processing site registered under ORS 475B.435, or a medical marijuana  
12 dispensary registered under ORS 475B.450, acting in accordance with proce-  
13 dures adopted by the commission under section 25, chapter 24, Oregon Laws  
14 2016.

15       “(3) The sale of marijuana items by a marijuana retailer that holds a li-  
16 cense issued under ORS 475B.110 must be restricted to the premises [*de-*  
17 *scribed in the license*] for which the license has been issued, but deliveries  
18 may be made by [*the*] a marijuana retailer to consumers pursuant to a bona  
19 fide order received at the premises prior to delivery.

20       “**SECTION 85.** ORS 475B.170 is amended to read:

21       “475B.170. (1) Subject to subsection (2) of this section, a licensee or  
22 licensee representative, before selling or providing a marijuana item to an-  
23 other person, must require the person to produce one of the following pieces  
24 of identification:

25       “(a) The person’s passport.

26       “(b) The person’s driver license, whether issued in this state or by [*any*  
27 *other state, as long as the license has a picture of the person*] **another**  
28 **state.**

29       “(c) An identification card issued under ORS 807.400.

30       “(d) A United States military identification card.

1 “(e) Any other identification card issued by a state that bears a picture  
2 of the person, the name of the person, the person’s date of birth and a  
3 physical description of the person.

4 “(2) The Oregon Liquor Control **and Cannabis** Commission may adopt  
5 rules exempting a licensee or licensee representative from this section.

6 “**SECTION 86.** ORS 475B.180 is amended to read:

7 “475B.180. (1) A licensee may not employ [*any*] **a** person under 21 years  
8 of age [*in any part of any licensed premises*] **at a premises for which a li-**  
9 **cence has been issued under ORS 475B.010 to 475B.395.**

10 “(2) During [*any*] **an** inspection of a [*licensed*] premises **for which a li-**  
11 **cence has been issued under ORS 475B.010 to 475B.395**, the Oregon Liquor  
12 Control **and Cannabis** Commission may require proof that a person per-  
13 forming work at the premises is 21 years of age or older. If the person does  
14 not provide the commission with acceptable proof of age upon request, the  
15 commission may require the person to immediately cease any activity and  
16 leave the premises until the commission receives acceptable proof of age.  
17 This subsection does not apply to a person temporarily at the premises to  
18 make a service, maintenance or repair call or for other purposes independent  
19 of the premises operations.

20 “(3) If a person performing work has not provided proof of age requested  
21 by the commission under subsection (2) of this section, the commission may  
22 request that the licensee provide proof that the person is 21 years of age or  
23 older. Failure of the licensee to respond to a request made under this sub-  
24 section by providing acceptable proof of age for a person is prima facie evi-  
25 dence that the licensee has allowed the person to perform work at the  
26 [*licensed*] premises **for which a license has been issued under ORS**  
27 **475B.010 to 475B.395** in violation of the minimum age requirement.

28 “**SECTION 87.** ORS 475B.185, as amended by section 39, chapter 24,  
29 Oregon Laws 2016, is amended to read:

30 “475B.185. (1) A person may not import marijuana items into this state

1 or export marijuana items from this state.

2 “(2) Except as provided in subsection (3) of this section, a violation of this  
3 section is a Class B violation.

4 “(3) A violation of this section is a:

5 “(a) Class C felony, if the importation or exportation:

6 “(A) Is for consideration and the person [*holds a license under ORS*  
7 *475B.070, 475B.090, 475B.100 or 475B.110*] **is a licensee**; or

8 “(B) Concerns usable marijuana and the importation or exportation ex-  
9 ceeds 16 ounces of usable marijuana.

10 “(b) Class A misdemeanor, if the importation or exportation:

11 “(A) Is not for consideration and the person [*holds a license under ORS*  
12 *475B.070, 475B.090, 475B.100 or 475B.110*] **is a licensee**; or

13 “(B) Concerns usable marijuana and the importation or exportation ex-  
14 ceeds one ounce of usable marijuana.

15 “**SECTION 88.** ORS 475B.190 is amended to read:

16 “475B.190. (1) A licensee may not use or allow the use of a mark or label  
17 on the container of a marijuana item that is kept for sale if the [*container*]  
18 **mark or label** does not precisely and clearly indicate the nature of the  
19 container’s contents or **if the mark or label** in any way might deceive a  
20 customer [*as to*] **about** the nature, composition, quantity, age or quality of  
21 the [*marijuana item.*] **container’s contents.**

22 “(2) The Oregon Liquor Control **and Cannabis** Commission may prohibit  
23 a licensee from selling any brand of marijuana item that in the commission’s  
24 judgment is deceptively **branded or** labeled [*or branded as to content*] or  
25 contains injurious or adulterated ingredients.

26 “**SECTION 89.** ORS 475B.195 is amended to read:

27 “475B.195. (1) A marijuana item may not be sold or offered for sale within  
28 this state unless the marijuana item complies with the minimum standards  
29 prescribed by the statutory laws of this state.

30 “(2) The Oregon Liquor Control **and Cannabis** Commission may prohibit

1 the sale of a marijuana item by a marijuana retailer for a reasonable period  
2 of time for the purpose of determining whether the marijuana item complies  
3 with the minimum standards prescribed by the statutory laws of this state.

4 **“SECTION 90.** ORS 475B.200 is amended to read:

5 “475B.200. (1) Except for a [*licensed marijuana producer and the producer’s*  
6 *licensee representative*] **marijuana producer that holds a license issued**  
7 **under ORS 475B.070 or licensee representative of a marijuana producer**  
8 **that holds a license issued under ORS 475B.070, a licensee or licensee**  
9 **representative** may not possess a mature marijuana plant.

10 “(2) A licensee **or licensee representative** may not sell a mature  
11 marijuana plant.

12 **“SECTION 91.** ORS 475B.205 is amended to read:

13 “475B.205. (1) A person may not make false representations or statements  
14 to the Oregon Liquor Control **and Cannabis** Commission in order to induce  
15 or prevent action by the commission.

16 “(2) A licensee [*of the commission*] may not maintain a noisy, lewd, dis-  
17 orderly or insanitary establishment or supply impure or otherwise deleteri-  
18 ous marijuana items.

19 “(3) A licensee [*of the commission*] may not misrepresent to a customer  
20 or to the public any marijuana items.

21 **“SECTION 92.** ORS 475B.210 is amended to read:

22 “475B.210. The Oregon Liquor Control **and Cannabis** Commission may  
23 revoke or suspend a license issued under ORS 475B.010 to 475B.395 if the  
24 commission finds or has reasonable ground to believe any of the following  
25 to be true:

26 “(1) That the licensee:

27 “(a) Has violated a provision of ORS 475B.010 to 475B.395 or a rule [*of the*  
28 *commission*] adopted under ORS 475B.010 to 475B.395.

29 “(b) Has made any false representation or statement to the commission  
30 in order to induce or prevent action by the commission.

1 “(c) Is insolvent or incompetent or physically unable to carry on the  
2 management of the establishment of the licensee.

3 “(d) Is in the habit of using alcoholic liquor, habit-forming drugs,  
4 marijuana or controlled substances to excess.

5 “(e) Has misrepresented to a customer or the public any marijuana items  
6 sold by the licensee.

7 “(f) Since the [*granting*] **issuance** of the license, has been convicted of a  
8 felony, of violating any of the marijuana laws of this state, general or local,  
9 or of any misdemeanor or violation of any municipal ordinance committed  
10 on the [*licensed*] premises **for which the license has been issued**.

11 “(2) That there is any other reason that, in the opinion of the commission,  
12 based on public convenience or necessity, warrants [*canceling*] **revoking** or  
13 suspending the license.

14 “**SECTION 93.** ORS 475B.215, as amended by section 16, chapter 23,  
15 Oregon Laws 2016, is amended to read:

16 “475B.215. (1) An individual who performs work for or on behalf of a  
17 [*person who holds a license under ORS 475B.070, 475B.090, 475B.100 or*  
18 *475B.110*] **licensee** must have a valid permit issued by the Oregon Liquor  
19 Control **and Cannabis** Commission under ORS 475B.218 if the individual  
20 participates in:

21 “(a) The possession, production, propagation, processing, securing or  
22 selling of marijuana items at the premises for which the license has been  
23 issued;

24 “(b) The recording of the possession, production, propagation, processing,  
25 securing or selling of marijuana items at the premises for which the license  
26 has been issued; or

27 “(c) The verification of any document described in ORS 475B.170.

28 “(2) A [*person who holds a license under ORS 475B.070, 475B.090, 475B.100*  
29 *or 475B.110*] **licensee** must verify that an individual has a valid permit is-  
30 sued under ORS 475B.218 before allowing the individual to perform any work

1 described in subsection (1) of this section at the premises for which the li-  
2 cense has been issued.

3 **“SECTION 94.** ORS 475B.218, as amended by section 13, chapter 24,  
4 Oregon Laws 2016, is amended to read:

5 “475B.218. (1) The Oregon Liquor Control **and Cannabis** Commission  
6 shall issue permits to qualified applicants to perform work described in ORS  
7 475B.215. The commission shall adopt rules establishing:

8 “(a) The qualifications for performing work described in ORS 475B.215;

9 “(b) The term of a permit issued under this section;

10 “(c) Procedures for applying for and renewing a permit issued under this  
11 section; and

12 “(d) Reasonable application, issuance and renewal fees for a permit issued  
13 under this section.

14 “(2)(a) The commission may require an individual applying for a permit  
15 under this section to successfully complete a course, made available by or  
16 through the commission, through which the individual receives training on:

17 “(A) Checking identification;

18 “(B) Detecting intoxication;

19 “(C) Handling marijuana items;

20 **“(D) Best practices for producing and propagating marijuana;**

21 **“(E) Best practices for processing marijuana;**

22 “[~~(D)~~] **(F)** The content of ORS 475B.010 to 475B.395 and rules adopted  
23 under ORS 475B.010 to 475B.395; [~~and~~] **or**

24 “[~~(E)~~] **(G)** Any matter deemed necessary by the commission to protect the  
25 public health and safety.

26 “(b) The commission or other provider of [~~the~~] **a** course may charge a  
27 reasonable fee for the course.

28 “(c) The commission may not require an individual to successfully com-  
29 plete [~~the~~] **a** course more than once, except that:

30 “(A) As part of a final order suspending a permit issued under this sec-

1 tion, the commission may require a permit holder to successfully complete  
2 the course as a condition of lifting the suspension; and

3 “(B) As part of a final order revoking a permit issued under this section,  
4 the commission shall require an individual to successfully complete the  
5 course prior to applying for a new permit.

6 “(3) The commission shall conduct a criminal records check under ORS  
7 181A.195 on an individual applying for a permit under this section.

8 “(4) Subject to the applicable provisions of ORS chapter 183, the com-  
9 mission may suspend, revoke or refuse to issue or renew a permit if the in-  
10 dividual who is applying for or who holds the permit:

11 “(a) Is convicted of a felony or is convicted of an offense under ORS  
12 475.856, 475.858, 475.860, 475.862 or 475B.010 to 475B.395, except that the  
13 commission may not consider a conviction for an offense under ORS 475.856,  
14 475.858, 475.860, 475.862 or 475B.010 to 475B.395 if the date of the conviction  
15 is two or more years before the date of the application or renewal;

16 “(b) Violates any provision of ORS 475B.010 to 475B.395 or any rule  
17 adopted under ORS 475B.010 to 475B.395; or

18 “(c) Makes a false statement to the commission.

19 “(5) A permit issued under this section is a personal privilege and permits  
20 work described under ORS 475B.215 only for the individual who holds the  
21 permit.

22 “**SECTION 95.** ORS 475B.230 is amended to read:

23 “475B.230. (1) An employee of a [*person licensed under ORS 475B.070,*  
24 *475B.090, 475B.100 or 475B.110*] **licensee** has the right to form, join and  
25 participate in the activities of a labor organization of the employee’s own  
26 choosing for the purpose of securing representation and collective bargaining  
27 for matters concerning employment relations with the [*person licensed under*  
28 *ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**.

29 “(2) For purposes of this section, the provisions of ORS chapters 661 to  
30 663 apply to relations between employees of [*persons licensed under ORS*

1 475B.070, 475B.090, 475B.100 and 475B.110] **licensees** and employers that are  
2 [licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110] **licensees** in  
3 the same manner that those provisions apply to other employment relations.

4 **“SECTION 96.** ORS 475B.233 is amended to read:

5 “475B.233. (1) It is an unlawful employment practice for a [*person that*  
6 *holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**  
7 to discharge, demote, suspend or in any manner discriminate or retaliate  
8 against an employee of the [*person*] **licensee** with regard to promotion,  
9 compensation or other terms, conditions or privileges of employment on the  
10 basis that the employee has in good faith reported information to the Oregon  
11 Liquor Control **and Cannabis** Commission that the employee believes is ev-  
12 idence of a violation of a provision of ORS 475B.010 to 475B.395 or a rule  
13 adopted under [*a provision of*] ORS 475B.010 to 475B.395.

14 “(2) This section is subject to enforcement under ORS chapter 659A.

15 **“SECTION 97.** ORS 475B.235, as amended by section 24, chapter 23,  
16 Oregon Laws 2016, and section 12, chapter 24, Oregon Laws 2016, is amended  
17 to read:

18 “475B.235. (1) The Oregon Liquor Control **and Cannabis** Commission, in  
19 consultation with the Oregon Health Authority and the State Department  
20 of Agriculture, shall establish a program for the purpose of identifying and  
21 certifying private and public researchers of cannabis.

22 “(2)(a) The authority shall assist the commission in identifying candidates  
23 for certification under this section with respect to potential medical re-  
24 search.

25 “(b) The department shall assist the commission in identifying candidates  
26 for certification under this section with respect to potential agricultural re-  
27 search.

28 “(3) Subject to subsection (4) of this section, the commission shall adopt  
29 by rule or order:

30 “(a) Qualifications for certification under this section;



1       “(b) The term of a certificate issued under this section;

2       “(c) Processes for applying for, receiving and renewing a certificate under  
3 this section;

4       “(d) Procedures for tracking marijuana, usable marijuana, cannabinoid  
5 products, cannabinoid concentrates and cannabinoid extracts received by and  
6 disposed or otherwise made use of by a person [*certified*] **that holds a cer-**  
7 **tificate issued** under this section; and

8       “(e) Procedures for disposing or otherwise making use of marijuana, usa-  
9 ble marijuana, cannabinoid products, cannabinoid concentrates and  
10 cannabinoid extracts.

11       “(4) In establishing qualifications under subsection (3) of this section, the  
12 commission shall consider the following:

13       “(a) A research applicant’s access to funding and the overall cost of the  
14 proposed research;

15       “(b) The overall benefit of an applicant’s proposed research to this state’s  
16 cannabis industry or to public health and safety; and

17       “(c) Legal barriers to conducting the proposed research or legal risks as-  
18 sociated with conducting the proposed research.

19       “(5) In adopting procedures under subsection (3)(d) and (e) of this section  
20 with respect to making use of marijuana, usable marijuana, cannabinoid  
21 products, cannabinoid concentrates and cannabinoid extracts, the commission  
22 shall also adopt procedures by which a person [*certified*] **that holds a cer-**  
23 **tificate issued** under this section may transfer limited amounts of  
24 marijuana, usable marijuana, cannabinoid products, cannabinoid concen-  
25 trates and cannabinoid extracts to another person [*certified*] **that holds a**  
26 **certificate issued** under this section or to a premises for which a license  
27 has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

28       “(6) In adopting procedures under subsection (3)(d) and (e) of this section  
29 with respect to making use of marijuana, usable marijuana, cannabinoid  
30 products, cannabinoid concentrates and cannabinoid extracts, the commission

1 shall also adopt procedures by which a person certified under this section  
2 may give, devise or bequest usable marijuana, immature marijuana plants,  
3 **marijuana** seeds, cannabinoid products, cannabinoid concentrates and  
4 cannabinoid extracts to a medical marijuana dispensary registered with the  
5 authority under ORS 475B.450 and owned by a nonprofit corporation organ-  
6 ized under ORS chapter 65 for purposes described in section 22, chapter 23,  
7 Oregon Laws 2016.

8 “(7) A person [*certified*] **that holds a certificate issued** under this sec-  
9 tion:

10 “(a) May receive marijuana, usable marijuana, cannabinoid products,  
11 cannabinoid concentrates and cannabinoid extracts from a licensee or a  
12 registrant under ORS 475B.400 to 475B.525; and

13 “(b) May not sell or otherwise transfer marijuana, usable marijuana,  
14 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to  
15 any other person, except as provided in this section and rules adopted by the  
16 commission under this section.

17 “(8) Except as otherwise provided by the commission by rule, rules  
18 adopted by the commission for the purpose of administering and enforcing  
19 ORS 475B.010 to 475B.395 with respect to licensees and licensee represen-  
20 tatives apply to persons [*certified*] **that hold a certificate issued** under this  
21 section and persons employed by or who otherwise perform work for persons  
22 [*certified*] **that hold a certificate issued** under this section.

23 “(9) A person [*who is certified*] **that holds a certificate issued** under this  
24 section, and an employee of or other person who performs work for a person  
25 [*certified*] **that holds a certificate issued** under this section, is exempt from  
26 the criminal laws of this state for possession, delivery or manufacture of  
27 marijuana, aiding and abetting another in the possession, delivery and man-  
28 ufacture of marijuana, or any other criminal offense in which possession,  
29 delivery or manufacture of marijuana is an element, while performing activ-  
30 ities related to conducting research as described in this section.

1        “**SECTION 98.** ORS 475B.240 is amended to read:

2        “475B.240. The Marijuana Control and Regulation Fund is established in  
3 the State Treasury, separate and distinct from the General Fund. Interest  
4 earned by the Marijuana Control and Regulation Fund shall be credited to  
5 the fund. Moneys in the fund are continuously appropriated to the Oregon  
6 Liquor Control **and Cannabis** Commission to administer and enforce ORS  
7 475B.010 to 475B.395.

8        “**SECTION 99.** ORS 475B.255, as amended by section 38, chapter 24,  
9 Oregon Laws 2016, is amended to read:

10       “475B.255. A person other than a [*person*] **marijuana processor** that  
11 holds a license **issued** under ORS 475B.090 may not process cannabinoid ex-  
12 tracts into a cannabinoid product.

13       “**SECTION 100.** ORS 475B.260 is amended to read:

14       “475B.260. (1)(a) A person under 21 years of age may not attempt to pur-  
15 chase, purchase or acquire a marijuana item.

16       “(b) For purposes of this subsection, purchasing a marijuana item includes  
17 accepting a marijuana item, and acquiring a marijuana item includes con-  
18 suming a marijuana item, provided that the consumption of the marijuana  
19 item occurred no more than 24 hours before the determination that the per-  
20 son consumed the marijuana item.

21       “(2) Except as authorized by the Oregon Liquor Control **and Cannabis**  
22 Commission by rule, or as necessary in an emergency, a person under 21  
23 years of age may not enter or attempt to enter any portion of a [*licensed*]  
24 premises that is posted or otherwise identified as being prohibited to the use  
25 of persons under 21 years of age.

26       “(3) A person who violates subsection (1) or (2) of this section commits  
27 a Class B violation.

28       “(4) In addition to and not in lieu of any other penalty established by law,  
29 a court may require a person under 21 years of age who violates subsection  
30 (1) of this section through misrepresentation of age to perform community

1 service, and the court may order that the person's driving privileges and  
2 right to apply for driving privileges be suspended for a period not to exceed  
3 one year. If a court has issued an order suspending driving privileges under  
4 this section, the court, upon petition of the person, may withdraw the order  
5 at any time the court deems appropriate. The court notification to the De-  
6 partment of Transportation under this subsection may include a recommen-  
7 dation that the person be granted a hardship permit under ORS 807.240 if the  
8 person is otherwise eligible for the permit.

9 “(5) If a person cited under this section is at least 13 years of age but less  
10 than 21 years of age at the time the person is found in default under ORS  
11 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of  
12 any other penalty, the court shall issue notice under ORS 809.220 to the de-  
13 partment for the department to suspend the person's driving privileges under  
14 ORS 809.280 (4).

15 “(6) In addition to and not in lieu of any penalty established by law, the  
16 court may order a person to undergo assessment and treatment if the person  
17 has previously been found to have violated this section.

18 “(7) The prohibitions of this section do not apply to a person under 21  
19 years of age who is acting under the direction of the commission or under  
20 the direction of state or local law enforcement agencies for the purpose of  
21 investigating possible violations of laws prohibiting sales of marijuana items  
22 to persons who are under 21 years of age.

23 “(8) The prohibitions of this section do not apply to a person under 21  
24 years of age who is acting under the direction of a licensee for the purpose  
25 of investigating possible violations by employees of the licensee of laws  
26 prohibiting sales of marijuana items to persons who are under 21 years of  
27 age.

28 “(9)(a) A person under 21 years of age is not in violation of, and is im-  
29 mune from prosecution under, this section if:

30 “(A) The person contacted emergency medical services or a law enforce-

1 ment agency in order to obtain medical assistance for another person who  
2 was in need of medical assistance because that person consumed a marijuana  
3 item and the evidence of the violation of this section was obtained as a re-  
4 sult of the person's having contacted emergency medical services or a law  
5 enforcement agency; or

6 "(B) The person was in need of medical assistance because the person  
7 consumed a marijuana item and the evidence of the violation of this section  
8 was obtained as a result of the person's having sought or obtained the med-  
9 ical assistance.

10 "(b) Paragraph (a) of this subsection does not exclude the use of evidence  
11 obtained as a result of a person's having sought medical assistance in pro-  
12 ceedings for crimes or offenses other than a violation of this section.

13 "**SECTION 101.** ORS 475B.290 is amended to read:

14 "475B.290. For purposes of ORS 475B.010 to 475B.395, the provisions of  
15 ORS 183.440 apply to subpoenas issued by the Oregon Liquor Control **and**  
16 **Cannabis** Commission and [*any*] **to subpoenas issued by an** authorized  
17 agent of the commission.

18 "**SECTION 102.** ORS 475B.295 is amended to read:

19 "475B.295. In addition to any other liability or penalty provided by law,  
20 the Oregon Liquor Control **and Cannabis** Commission may impose for each  
21 violation of a provision of ORS 475B.010 to 475B.395 or a rule adopted under  
22 [*a provision of*] ORS 475B.010 to 475B.395 a civil penalty that does not exceed  
23 \$5,000 for each violation. The commission shall impose civil penalties under  
24 this section in the manner provided by ORS 183.745. Moneys collected under  
25 this section shall be deposited in the Marijuana Control and Regulation  
26 Fund established under ORS 475B.240.

27 "**SECTION 103.** ORS 475B.298 is amended to read:

28 "475B.298. If [*it is proved that*] the owner of a building or premises  
29 knowingly has used the building or premises **for**, or allowed the building or  
30 premises to be occupied for, the [*manufacture, sale or possession*] **pro-**

1 **duction, processing, sale or use** of marijuana items contrary to the pro-  
2 visions of ORS 475B.010 to 475B.395, **475B.400 to 475B.525, 475B.550 to**  
3 **475B.590 or 475B.600 to 475B.655, or contrary to the provisions of any**  
4 **other state law or local ordinance regulating the production, process-**  
5 **ing sale or use of marijuana items**, the building or premises [*are*] **is** sub-  
6 ject to a lien for, and may be sold to pay all fines and costs assessed against  
7 [*their occupants for,*] **the occupants of the building or premises for**, any  
8 violation of ORS 475B.010 to 475B.395, **475B.400 to 475B.525, 475B.550 to**  
9 **475B.590 or 475B.600 to 475B.655, or any other state law or local ordi-**  
10 **nance regulating the production, processing sale or use of marijuana**  
11 **items** . The lien must be enforced immediately by civil action in [*any*] a  
12 court that has jurisdiction **over the area in which the building or prem-**  
13 **ises is located**, by the district attorney of the county in which the building  
14 or premises [*are*] **is** located.

15 **“SECTION 104.** ORS 475B.300 is amended to read:

16 “475B.300. The [*state police, sheriffs and police*] **law enforcement** officers  
17 of this state may enforce ORS 475B.010 to 475B.395 and assist the Oregon  
18 Liquor Control **and Cannabis** Commission in detecting violations of ORS  
19 475B.010 to 475B.395 and apprehending offenders. [*An enforcing*] **A law**  
20 **enforcement** officer who has notice, knowledge or reasonable ground of  
21 suspicion of a violation of ORS 475B.010 to 475B.395 shall immediately notify  
22 the district attorney **who has jurisdiction over the violation** and furnish  
23 the district attorney **who has jurisdiction over the violation** with names  
24 and addresses of any witnesses[,] **to the violation** or other information  
25 [*within the officer’s knowledge, of*] **related to** the violation.

26 **“SECTION 105.** ORS 475B.305 is amended to read:

27 “475B.305. (1) When [*an*] **a law enforcement** officer arrests a person for  
28 [*violation of*] **violating** ORS 475B.010 to 475B.395, the **law enforcement** of-  
29 ficer may take into possession all marijuana items and other property that  
30 the **arrested** person [*so arrested*] has in possession, or that is on the prem-

1 ises, that *[is]* apparently **is** being used in violation of ORS 475B.010 to  
2 475B.395.

3 “(2) If a person arrested as described in this section is convicted, and the  
4 court finds that the marijuana items and other property have been used in  
5 violation of *[the laws of this state]* **ORS 475B.010 to 475B.395:**

6 “(a) The marijuana items must be forfeited to an appropriate state or lo-  
7 cal law enforcement agency and must be delivered by the court or **law**  
8 **enforcement** officer, at the direction of the court, to the law enforcement  
9 agency; and

10 “(b) Subject to **any** other applicable law, the other property must be for-  
11 feited to the Oregon Liquor Control **and Cannabis** Commission, and must  
12 be delivered by the court or **law enforcement** officer, **at the direction of**  
13 **the court**, to the commission.

14 “(3) The commission is authorized to destroy or *[make such other disposi-*  
15 *tion]* **otherwise dispose** of any property *[it]* **the commission** receives under  
16 subsection (2)(b) of this section *[as it considers to be in the public interest.*  
17 *In any such case, all such]*, **provided that if the commission elects to sell**  
18 **the** property, including furniture, furnishings, **and** equipment and facilities  
19 for the storing, serving or using of marijuana items *[must be confiscated and*  
20 *forfeited to the state, and]*, the clear proceeds **of the sale** must be *[deposited*  
21 *with]* **credited to** the State Treasury **and deposited** in the Common School  
22 Fund.

23 “**SECTION 106.** ORS 475B.310 is amended to read:

24 “475B.310. The county courts, district attorneys and municipal authori-  
25 ties, immediately upon the conviction of *[any]* **a** licensee *[of the Oregon Li-*  
26 *quor Control Commission]* of a violation of *[any]* **a** provision of ORS 475B.010  
27 to 475B.395, or *[the]* **of a** violation of any other law of this state or ordinance  
28 of *[any municipality]* **a city or county located** in this state*[, in which vio-*  
29 *lation marijuana had any part,]* **an element of which is the possession,**  
30 **delivery or manufacture of a marijuana item,** shall notify the **Oregon**

1 **Liquor Control and Cannabis** Commission of the conviction. [*The county*  
2 *courts, district attorneys and municipal authorities shall notify the commission*  
3 *of any acts, practices or other conduct of a licensee convicted as described in*  
4 *this section that may be subversive of the general welfare or contrary to the*  
5 *spirit of ORS 475B.010 to 475B.395 and shall recommend such action on the*  
6 *part of the commission as will remove the evil.*]

7 **“SECTION 107.** ORS 475B.325 is amended to read:

8 “475B.325. (1) The governing body of a city or a county, when a petition  
9 is filed as provided in this section, shall order an election on the question  
10 **as to whether the operation of [*licensed*] premises for which a license has**  
11 **been issued under ORS 475B.010 to 475B.395** should be prohibited in the  
12 city or county.

13 “(2) Except as otherwise provided in this section, the requirements for  
14 preparing, circulating and filing a petition under this section:

15 “(a) In the case of a city, must be as provided for an initiative petition  
16 under ORS 250.265 to 250.346.

17 “(b) In the case of a county, must be as provided for an initiative petition  
18 under ORS 250.165 to 250.235.

19 “(3) A petition under this section:

20 “(a) Must be filed not less than 60 days before the day of the election;  
21 and

22 “(b) Must be signed by not less than 10 percent of the electors registered  
23 in the city or county.

24 “(4) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county  
25 or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city, the  
26 requirements for preparing, circulating and filing a petition under this sec-  
27 tion must be as provided for an initiative petition under the county or city  
28 charter or an ordinance adopted under the county or city charter.

29 “(5) A signature is not valid unless signed within 180 days before the pe-  
30 tition is filed.



1       “(6) An election under this section must be held at the time of the next  
2 statewide general election.

3       “(7) An election under this section must be conducted under ORS chapters  
4 246 to 260.

5       “**SECTION 108.** ORS 475B.340, as amended by section 4, chapter 23,  
6 Oregon Laws 2016, and section 66, chapter 24, Oregon Laws 2016, is amended  
7 to read:

8       “475B.340. (1) For purposes of this section, ‘reasonable regulations’ in-  
9 cludes:

10       “(a) Reasonable conditions on the manner in which a marijuana producer  
11 [*licensed*] **that holds a license issued** under ORS 475B.070 may produce  
12 marijuana or in which a [*person who*] **researcher of cannabis that** holds  
13 a certificate issued under ORS 475B.235 may produce marijuana or propagate  
14 immature marijuana plants;

15       “(b) Reasonable conditions on the manner in which a marijuana processor  
16 [*licensed*] **that holds a license issued** under ORS 475B.090 may process  
17 marijuana or in which a [*person who*] **researcher of cannabis that** holds  
18 a certificate issued under ORS 475B.235 may process marijuana;

19       “(c) Reasonable conditions on the manner in which a marijuana whole-  
20 saler [*licensed*] **that holds a license issued** under ORS 475B.100 may sell  
21 marijuana at wholesale;

22       “(d) Reasonable conditions on the manner in which a marijuana retailer  
23 [*licensed*] **that holds a license issued** under ORS 475B.110 may sell  
24 marijuana items;

25       “(e) Reasonable limitations on the hours during which a premises for  
26 which a license has been issued under ORS [*475B.070, 475B.090, 475B.100 or*  
27 *475B.110*] **475B.010 to 475B.395** may operate;

28       “(f) Reasonable requirements related to the public’s access to a premises  
29 for which a license or certificate has been issued under ORS [*475B.070,*  
30 *475B.090, 475B.100, 475B.110 or 475B.235*] **475B.010 to 475B.395**; and

1       “(g) Reasonable limitations on where a premises for which a license or  
2 certificate may be issued under ORS [475B.070, 475B.090, 475B.100, 475B.110  
3 or 475B.235] **475B.010 to 475B.395** may be located.

4       “(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing  
5 body of a city or county may adopt ordinances that impose reasonable regu-  
6 lations on the operation of businesses located at premises for which a license  
7 **or certificate** has been issued under ORS [475B.070, 475B.090, 475B.100 or  
8 475B.110, or for which a certificate has been issued under ORS 475B.235,]  
9 **475B.010 to 475B.395** if the premises are located in the area subject to the  
10 jurisdiction of the city or county, except that the governing body of a city  
11 or county may not:

12       “(a) Adopt an ordinance that prohibits a premises for which a license has  
13 been issued under ORS 475B.110 from being located within a distance that  
14 is greater than 1,000 feet of another premises for which a license has been  
15 issued under ORS 475B.110.

16       “(b) Adopt an ordinance [*after January 1, 2015,*] that imposes a setback  
17 requirement for an agricultural building used to produce marijuana located  
18 on a premises for which a license has been issued under ORS 475B.070 if the  
19 agricultural building:

20       “(A) Was constructed on or before July 1, 2015, in compliance with all  
21 applicable land use and building code requirements at the time of con-  
22 struction;

23       “(B) Is located at an address where a marijuana grow site first registered  
24 with the Oregon Health Authority under ORS 475B.420 on or before January  
25 1, 2015;

26       “(C) Was used to produce marijuana pursuant to the provisions of ORS  
27 475B.400 to 475B.525 on or before January 1, 2015; and

28       “(D) Has four opaque walls and a roof.

29       “**SECTION 109.** ORS 475B.345, as amended by section 3, chapter 91,  
30 Oregon Laws 2016, is amended to read:

1       “475B.345. [(1) As used in this section, ‘designated primary caregiver’ and  
2 ‘registry identification cardholder’ have the meanings given those terms in  
3 ORS 475B.410.]

4       “[(2)(a)] (1)(a) Except as expressly authorized by this section, the au-  
5 thority to impose a tax or fee on the production, processing or sale of  
6 marijuana items in this state is vested solely in the Legislative Assembly.

7       “(b) Except as expressly authorized by this section, a county, city or other  
8 municipal corporation or district may not adopt or enact ordinances impos-  
9 ing a tax or fee on the production, processing or sale of marijuana items in  
10 this state.

11       “[(3)] (2) Subject to subsection (5) of this section, the governing body of  
12 a city or county may adopt an ordinance to be referred to the electors of the  
13 city or county as described in subsection (4) of this section that imposes a  
14 tax or a fee on the sale of marijuana items that are sold in the area subject  
15 to the jurisdiction of the city or the unincorporated area subject to the ju-  
16 risdiction of a county by a [person] **marijuana retailer** that holds a license  
17 **issued** under ORS 475B.110.

18       “[(4)] (3) If the governing body of a city or county adopts an ordinance  
19 under this section, the governing body shall refer the measure of the ordi-  
20 nance to the electors of the city or county for approval at the next statewide  
21 general election.

22       “[(5)] (4) An ordinance adopted under this section may not impose a tax  
23 or fee:

24       “(a) In excess of three percent; or

25       “(b) On a registry identification cardholder or on a designated primary  
26 caregiver who is purchasing a marijuana item for a registry identification  
27 cardholder.

28       “**SECTION 110.** ORS 475B.350 is amended to read:

29       “475B.350. The Oregon Health Authority shall assist and cooperate with  
30 the Oregon Liquor Control **and Cannabis** Commission and the State De-

1 partment of Agriculture to the extent necessary for the commission and the  
2 department to carry out the duties of the commission and the department  
3 under ORS 475B.010 to 475B.395.

4 **“SECTION 111.** ORS 475B.353 is amended to read:

5 “475B.353. The State Department of Agriculture shall assist and cooperate  
6 with the Oregon Liquor Control **and Cannabis** Commission and the Oregon  
7 Health Authority to the extent necessary for the commission and the au-  
8 thority to carry out the duties of the commission and the authority under  
9 ORS 475B.010 to 475B.395.

10 **“SECTION 112.** ORS 475B.355 is amended to read:

11 “475B.355. (1) The Oregon Liquor Control **and Cannabis** Commission, the  
12 State Department of Agriculture and the Oregon Health Authority may not  
13 refuse to perform any duty under ORS 475B.010 to 475B.395 on the basis that  
14 manufacturing, distributing, dispensing, possessing or using marijuana is  
15 prohibited by federal law.

16 “(2) The commission may not revoke or refuse to issue or renew a  
17 license, **certificate or permit** under ORS 475B.010 to 475B.395 on the basis  
18 that manufacturing, distributing, dispensing, possessing or using marijuana  
19 is prohibited by federal law.

20 **“SECTION 113.** ORS 475B.358 is amended to read:

21 “475B.358. A person may not sue the Oregon Liquor Control **and**  
22 **Cannabis** Commission or a member of the commission, the State Department  
23 of Agriculture or the Oregon Health Authority, or any employee of the  
24 commission, department or authority, for performing or omitting to perform  
25 any duty, function or power of the commission, department or authority set  
26 forth in ORS 475B.010 to 475B.395 or in any other law of this state requiring  
27 the commission, department or authority to perform a duty, function or  
28 power related to marijuana **items**.

29 **“SECTION 114.** ORS 475B.365 is amended to read:

30 “475B.365. In case of invasion, disaster, insurrection or riot, or imminent

1 danger of invasion, disaster, insurrection or riot, the Governor may, for the  
2 duration of the invasion, disaster, insurrection or riot, or imminent danger,  
3 immediately **and without notice** suspend [*without notice any license*] in the  
4 area involved [*granted*] **any license, certificate or permit issued** under  
5 ORS 475B.010 to 475B.395.

6 **“SECTION 115.** ORS 475B.370, as amended by section 3, chapter 23,  
7 Oregon Laws 2016, is amended to read:

8 “475B.370. (1) Marijuana is:

9 “(a) A crop for the purposes of ‘farm use’ as defined in ORS 215.203;

10 “(b) A crop for purposes of a ‘farm’ and ‘farming practice,’ both as defined  
11 in ORS 30.930;

12 “(c) A product of farm use as described in ORS 308A.062; and

13 “(d) The product of an agricultural activity for purposes of ORS 568.909.

14 “(2) Notwithstanding ORS chapters 195, 196, 197, 215 and 227, the follow-  
15 ing are not permitted uses on land designated for exclusive farm use:

16 “(a) A new dwelling used in conjunction with a marijuana crop;

17 “(b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used  
18 in conjunction with a marijuana crop; and

19 “(c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283  
20 (2)(a), carried on in conjunction with a marijuana crop.

21 “(3) A county may allow the production of marijuana as a farm use on  
22 land zoned for farm or forest use in the same manner as the production of  
23 marijuana is allowed in exclusive farm use zones under this section and ORS  
24 215.213, 215.283 and 475B.063.

25 “(4) This section applies to:

26 “(a) Marijuana producers [*licensed*] **that hold a license issued** under  
27 ORS 475B.070;

28 “(b) Persons registered under ORS 475B.420 and designated to produce  
29 marijuana by one or more persons who hold valid registry identification  
30 cards issued under ORS 475B.415; and

1       “(c) For the purpose of producing marijuana or propagating immature  
2 marijuana plants, [*persons who hold certificates*] **researchers of cannabis**  
3 **that hold a certificate issued** under ORS 475B.235.

4       “**SECTION 116.** ORS 475B.399 is amended to read:

5       “475B.399. (1) As used in this section, ‘marijuana’ and ‘marijuana item’  
6 have the meanings given those terms in ORS 475B.015.

7       “(2) On or before February 1 of each odd-numbered year, the Oregon Li-  
8 quor Control **and Cannabis** Commission shall report to the Legislative As-  
9 sembly in the manner required by ORS 192.245, the approximate amount of  
10 marijuana produced by [*persons who hold a license*] **marijuana producers**  
11 **that hold a license issued** under ORS 475B.070 and the approximate amount  
12 of marijuana items sold by [*persons who hold a license*] **marijuana retailers**  
13 **that hold a license issued** under ORS 475B.110, and whether the supply of  
14 marijuana in this state is commensurate with the demand for marijuana  
15 items in this state.

16       “**SECTION 117.** Section 9, chapter 23, Oregon Laws 2016, is amended to  
17 read:

18       “**Sec. 9.** For the purpose of requesting a state or nationwide criminal  
19 records check under ORS 181A.195, the Oregon Liquor Control **and**  
20 **Cannabis** Commission may require the fingerprints of any individual listed  
21 on an application submitted under ORS 475B.218.

22       “**SECTION 118.** Section 10, chapter 23, Oregon Laws 2016, is amended to  
23 read:

24       “**Sec. 10.** For the purpose of requesting a state or nationwide criminal  
25 records check under ORS 181A.195, the Oregon Liquor Control **and**  
26 **Cannabis** Commission may require the fingerprints of any individual listed  
27 on an application submitted under ORS 475B.235. The powers conferred on  
28 the commission under this section include the power to require the finger-  
29 prints of:

30       “(1) If the applicant is a limited partnership, each partner of the limited

1 partnership;

2 “(2) If the applicant is a limited liability company, each member of the  
3 limited liability company;

4 “(3) If the applicant is a corporation, each director and officer of the  
5 corporation;

6 “(4) Any individual who holds a financial interest of 10 percent or more  
7 in the person applying for the certificate; and

8 “(5) Any individual who is a partner, member, director or officer of a legal  
9 entity with a financial interest in the person applying for the certificate.

10 “**SECTION 119.** Section 15, chapter 24, Oregon Laws 2016, is amended to  
11 read:

12 “**Sec. 15.** Except for the power to adopt rules, the Oregon Liquor Control  
13 **and Cannabis** Commission may delegate to the administrator appointed un-  
14 der ORS 471.720 any of the commission’s functions, duties and powers as  
15 prescribed by ORS 475B.010 to 475B.395, 475B.400 to 475B.525, 475B.550 to  
16 475B.590, 475B.600 to 475B.655 and 475B.800 or any other law of the state  
17 related to the regulation of marijuana items.

18 “**SECTION 120.** Section 22, chapter 24, Oregon Laws 2016, is amended to  
19 read:

20 “**Sec. 22.** (1) Subject to subsection (2) of this section, information is ex-  
21 empt from public disclosure under ORS 192.410 to 192.505 if the information  
22 is:

23 “(a) The address of a premises for which a license has been issued or for  
24 which an applicant has proposed [*to be licensed*] **licensure** under ORS  
25 475B.070, 475B.090 or 485B.100;

26 “(b) Is related to the security plan or the operational plan for a premises  
27 for which a license has been issued or for which an applicant has proposed  
28 [*to be licensed*] **licensure** under ORS [*475B.070, 475B.090, 485B.100 or*  
29 *475B.110*] **475B.010 to 475B.395**; or

30 “(c) Is related to any record that the Oregon Liquor Control **and**

1 **Cannabis** Commission determines contains proprietary information of a  
2 [*person who holds a license under ORS 475B.070, 475B.090, 485B.100 or*  
3 *475B.110*] licensee.

4 “(2) The exemption from public disclosure as provided by this section does  
5 not apply to a request for information if the request is made by a law  
6 enforcement agency.

7 “**SECTION 121.** Section 29b, chapter 83, Oregon Laws 2016, is amended  
8 to read:

9 “**Sec. 29b.** (1) Notwithstanding ORS 475B.110 (2)(d), a city or county may  
10 [*adopt an ordinance allowing*] **allow** a premises for which a license has been  
11 issued under ORS 475B.110 to be located within [*500*] **1,000** feet of a public  
12 elementary or secondary school for which attendance is compulsory under  
13 ORS 339.020, or a private or parochial elementary or secondary school  
14 teaching children as described in ORS 339.030 (1)(a), if:

15 “(a) **The premises is not located within 500 feet of the school; and**

16 “(b) The county or city determines that a physical or geographic barrier  
17 capable of preventing children from traversing to the [*school*] **premises** sep-  
18 arates the premises from the school.

19 “(2) A city or county that [*adopts an ordinance*] **makes an allowance**  
20 under this section must inform the Oregon Liquor Control **and Cannabis**  
21 Commission, in a form and manner prescribed by the commission, of the  
22 [*content and effective date of the ordinance*] **allowance.**

23

24 (Rules Advisory Committee)

25 (Operative January 1, 2018)

26

27 “**SECTION 122.** Section 123 of this 2017 Act is added to and made a  
28 part of ORS 475B.010 to 475B.395.

29 “**SECTION 123.** (1) There is established under the jurisdiction of the  
30 **Oregon Liquor Control and Cannabis Commission an advisory com-**



1 mittee for the purpose of advising the commission with respect to:

2 (a) Administering ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and  
3 475B.600 to 475B.655; and

4 (b) Adopting rules under ORS 475B.010 to 475B.395, 475B.550 to  
5 475B.590 and 475B.600 to 475B.655.

6 “(2) The committee consists of the following seven members ap-  
7 pointed by the chairperson of the commission:

8 “(a) A marijuana producer that holds a license issued under ORS  
9 475B.070;

10 “(b) A marijuana processor that holds a license issued under ORS  
11 475B.090;

12 “(c) A marijuana retailer that holds a license issued under ORS  
13 475B.110;

14 “(d) A licensee that holds any license issued under ORS 475B.010 to  
15 475B.395;

16 “(e) A law enforcement officer;

17 “(f) A local health officer, as defined in ORS 431.003; and

18 “(g) A member of the public.

19 “(3) The committee shall provide the commission with advice on  
20 administering ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and  
21 475B.600 to 475B.655 and adopting rules under ORS 475B.010 to 475B.395,  
22 475B.550 to 475B.590 and 475B.600 to 475B.655.

23 “(4) A majority of the members of the committee constitutes a  
24 quorum for the transaction of business.

25 “(5) Official action by the committee requires the approval of a  
26 majority of the members of the committee.

27 “(6) The committee shall elect one of its members to serve as  
28 chairperson from among the members described in subsection (2)(a),  
29 (b), (c) or (d) of this section.

30 “(7) The committee shall meet at times and places specified by the

1 call of the chairperson or of a majority of the members of the com-  
2 mittee.

3 “(8) The term of office of each member of the committee is four  
4 years, but a member serves at the pleasure of the Governor. Before  
5 the expiration of the term of a member, the Governor shall appoint a  
6 successor whose term begins July 1 next following. A member is eli-  
7 gible for reappointment, but may not serve consecutive terms. If there  
8 is a vacancy for any cause, the Governor shall make an appointment  
9 to become immediately effective for the unexpired term.

10 “(9) Members of the committee are entitled to compensation and  
11 reimbursement for expenses as provided in ORS 292.495.

12 “SECTION 124. Notwithstanding the term of office specified by  
13 section 123 of this 2017 Act, of the members first appointed to the ad-  
14 visory committee established under section 123 of this 2017 Act:

15 “(1) One shall serve for a term ending January 1, 2019;

16 “(2) Two shall serve for terms ending January 1, 2020;

17 “(3) Two shall serve for terms ending January 1, 2021; and

18 “(4) Two shall serve for terms ending January 1, 2022.

19  
20 (Amendments)

21 (Operative March 30, 2019)

22  
23 “SECTION 125. ORS 475B.160, as amended by section 23, chapter 23,  
24 Oregon Laws 2016, section 65, chapter 24, Oregon Laws 2016, section 12,  
25 chapter 83, Oregon Laws 2016, and section 84 of this 2017 Act, is amended  
26 to read:

27 “475B.160. (1) [*Except as provided in section 22, chapter 23, Oregon Laws*  
28 *2016, and section 2, chapter 83, Oregon Laws 2016,*] A marijuana producer that  
29 holds a license issued under ORS 475B.070, marijuana processor that holds  
30 a license issued under ORS 475B.090 or marijuana wholesaler that holds a

1 license issued under ORS 475B.100 may deliver marijuana items only to or  
2 on a premises for which a license has been issued under ORS 475B.070,  
3 475B.090, 475B.100 or 475B.110 or to a registry identification cardholder or  
4 designated primary caregiver as allowed under ORS 475B.010 to 475B.395.

5 “(2) A licensee to whom marijuana items may be delivered under sub-  
6 section (1) of this section may receive marijuana items only from:

7 “(a) A marijuana producer that holds a license issued under ORS  
8 475B.070, marijuana processor that holds a license issued under ORS 475B.090  
9 or marijuana wholesaler that holds a license issued under ORS 475B.100; **or**

10 “(b) A researcher of cannabis that holds a certificate issued under ORS  
11 475B.235 and that transfers limited amounts of marijuana, usable marijuana,  
12 cannabinoid products, cannabinoid concentrates and cannabinoid extracts in  
13 accordance with procedures adopted under ORS 475B.235 (3)(d) and (e); *or*].

14 “[*(c) A marijuana grow site registered under ORS 475B.420, marijuana*  
15 *processing site registered under ORS 475B.435, or a medical marijuana*  
16 *dispensary registered under ORS 475B.450, acting in accordance with proce-*  
17 *dures adopted by the commission under section 25, chapter 24, Oregon Laws*  
18 *2016.*]

19 “(3) The sale of marijuana items by a marijuana retailer that holds a li-  
20 cense issued under ORS 475B.110 must be restricted to the premises for  
21 which the license has been issued, but deliveries may be made by a  
22 marijuana retailer to consumers pursuant to a bona fide order received at  
23 the premises prior to delivery.

24 “**SECTION 126.** ORS 475B.235, as amended by section 24, chapter 23,  
25 Oregon Laws 2016, section 12, chapter 24, Oregon Laws 2016, and section 97  
26 of this 2017 Act, is amended to read:

27 “475B.235. (1) The Oregon Liquor Control and Cannabis Commission, in  
28 consultation with the Oregon Health Authority and the State Department  
29 of Agriculture, shall establish a program for the purpose of identifying and  
30 certifying private and public researchers of cannabis.

1       “(2)(a) The authority shall assist the commission in identifying candidates  
2 for certification under this section with respect to potential medical re-  
3 search.

4       “(b) The department shall assist the commission in identifying candidates  
5 for certification under this section with respect to potential agricultural re-  
6 search.

7       “(3) Subject to subsection (4) of this section, the commission shall adopt  
8 by rule or order:

9       “(a) Qualifications for certification under this section;

10       “(b) The term of a certificate issued under this section;

11       “(c) Processes for applying for, receiving and renewing a certificate under  
12 this section;

13       “(d) Procedures for tracking marijuana, usable marijuana, cannabinoid  
14 products, cannabinoid concentrates and cannabinoid extracts received by and  
15 disposed or otherwise made use of by a person that holds a certificate issued  
16 under this section; and

17       “(e) Procedures for disposing or otherwise making use of marijuana, usa-  
18 ble marijuana, cannabinoid products, cannabinoid concentrates and  
19 cannabinoid extracts.

20       “(4) In establishing qualifications under subsection (3) of this section, the  
21 commission shall consider the following:

22       “(a) A research applicant’s access to funding and the overall cost of the  
23 proposed research;

24       “(b) The overall benefit of an applicant’s proposed research to this state’s  
25 cannabis industry or to public health and safety; and

26       “(c) Legal barriers to conducting the proposed research or legal risks as-  
27 sociated with conducting the proposed research.

28       “(5) In adopting procedures under subsection (3)(d) and (e) of this section  
29 with respect to making use of marijuana, usable marijuana, cannabinoid  
30 products, cannabinoid concentrates and cannabinoid extracts, the commission

1 shall also adopt procedures by which a person that holds a certificate issued  
2 under this section may transfer limited amounts of marijuana, usable  
3 marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid  
4 extracts to another person that holds a certificate issued under this section  
5 or to a premises for which a license has been issued under ORS 475B.070,  
6 475B.090, 475B.100 or 475B.110.

7 *“[(6) In adopting procedures under subsection (3)(d) and (e) of this section*  
8 *with respect to making use of marijuana, usable marijuana, cannabinoid pro-*  
9 *ducts, cannabinoid concentrates and cannabinoid extracts, the commission*  
10 *shall also adopt procedures by which a person certified under this section may*  
11 *give, devise or bequest usable marijuana, immature marijuana plants,*  
12 *marijuana seeds, cannabinoid products, cannabinoid concentrates and*  
13 *cannabinoid extracts to a medical marijuana dispensary registered with the*  
14 *authority under ORS 475B.450 and owned by a nonprofit corporation organ-*  
15 *ized under ORS chapter 65 for purposes described in section 22, chapter 23,*  
16 *Oregon Laws 2016.]*

17 *“[(7)] (6) A person that holds a certificate issued under this section:*

18 *“(a) May receive marijuana, usable marijuana, cannabinoid products,*  
19 *cannabinoid concentrates and cannabinoid extracts from a licensee or a*  
20 *registrant under ORS 475B.400 to 475B.525; and*

21 *“(b) May not sell or otherwise transfer marijuana, usable marijuana,*  
22 *cannabinoid products, cannabinoid concentrates or cannabinoid extracts to*  
23 *any other person, except as provided in this section and rules adopted by the*  
24 *commission under this section.*

25 *“[(8)] (7) Except as otherwise provided by the commission by rule, rules*  
26 *adopted by the commission for the purpose of administering and enforcing*  
27 *ORS 475B.010 to 475B.395 with respect to licensees and licensee represen-*  
28 *tatives apply to persons that hold a certificate issued under this section and*  
29 *persons employed by or who otherwise perform work for persons that hold*  
30 *a certificate issued under this section.*

1       “[(9)] (8) A person that holds a certificate issued under this section, and  
2 an employee of or other person who performs work for a person that holds  
3 a certificate issued under this section, is exempt from the criminal laws of  
4 this state for possession, delivery or manufacture of marijuana, aiding and  
5 abetting another in the possession, delivery and manufacture of marijuana,  
6 or any other criminal offense in which possession, delivery or manufacture  
7 of marijuana is an element, while performing activities related to conducting  
8 research as described in this section.

9       “**SECTION 127.** ORS 475B.245, as amended by section 27, chapter 23,  
10 Oregon Laws 2016, section 36, chapter 24, Oregon Laws 2016, and section 13,  
11 chapter 83, Oregon Laws 2016, is amended to read:

12       “475B.245. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045,  
13 475B.050, 475B.055, 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.075,  
14 475B.090, 475B.100, 475B.110, 475B.115, 475B.125, 475B.130, 475B.135, 475B.140,  
15 475B.145, 475B.150, 475B.160, 475B.165, 475B.170, 475B.180, 475B.190, 475B.195,  
16 475B.200, 475B.205, 475B.210, 475B.215, 475B.218, 475B.230, 475B.233, 475B.235,  
17 475B.240, 475B.325, 475B.330, 475B.335, 475B.340, 475B.345, 475B.350, 475B.353,  
18 475B.355, 475B.358, 475B.360, 475B.365, 475B.370 and 475B.373 and sections 2,  
19 3, 4 and 5, chapter 83, Oregon Laws 2016, do not apply:

20       “(1) To the production or storage of homegrown marijuana at a household  
21 by one or more persons 21 years of age and older, if the total amount of  
22 homegrown marijuana at the household does not exceed four marijuana  
23 plants at any time.

24       “(2) To the possession or storage of usable marijuana items at a household  
25 by one or more persons 21 years of age or older, if the total amount of usable  
26 marijuana at the household does not exceed eight ounces of usable marijuana  
27 at any time.

28       “(3) To the making, processing, possession or storage of cannabinoid pro-  
29 ducts at a household by one or more persons 21 years of age and older, if the  
30 total amount of cannabinoid products at the household does not exceed 16

1 ounces in solid form at any time.

2 “(4) To the making, processing, possession or storage of cannabinoid pro-  
3 ducts at a household by one or more persons 21 years of age and older, if the  
4 total amount of cannabinoid products at the household does not exceed 72  
5 ounces in liquid form at any time.

6 “(5) To the making, processing, possession or storage of cannabinoid  
7 concentrates at a household by one or more persons 21 years of age or older,  
8 if the total amount of cannabinoid concentrates at the household does not  
9 exceed 16 ounces at any time.

10 “(6) To the possession of cannabinoid extracts at a household by one or  
11 more persons 21 years of age or older, if the cannabinoid extracts were pur-  
12 chased from a marijuana retailer that holds a license under ORS 475B.110[,  
13 *or transferred by a medical marijuana dispensary registered by the Oregon*  
14 *Health Authority under ORS 475B.450,*] and the total amount of cannabinoid  
15 extracts at the household does not exceed one ounce at any time.

16 “(7) To the delivery of not more than one ounce of usable marijuana at  
17 a time by a person 21 years of age or older to another person 21 years of age  
18 or older for noncommercial purposes.

19 “(8) To the delivery of not more than 16 ounces of cannabinoid products  
20 in solid form at a time by a person 21 years of age or older to another person  
21 21 years of age or older for noncommercial purposes.

22 “(9) To the delivery of not more than 72 ounces of cannabinoid products  
23 in liquid form at a time by a person 21 years of age or older to another  
24 person 21 years of age or older for noncommercial purposes.

25 “(10) To the delivery of not more than 16 ounces of cannabinoid concen-  
26 trates at a time by a person 21 years of age or older to another person 21  
27 years of age or older for noncommercial purposes.

28 “**SECTION 128.** ORS 475B.340, as amended by section 4, chapter 23,  
29 Oregon Laws 2016, and section 66, chapter 24, Oregon Laws 2016, and section  
30 108 of this 2017 Act, is amended to read:

1       “475B.340. (1) For purposes of this section, ‘reasonable regulations’ in-  
2 cludes:

3       “(a) Reasonable conditions on the manner in which a marijuana producer  
4 that holds a license issued under ORS 475B.070 may produce marijuana or  
5 in which a researcher of cannabis that holds a certificate issued under ORS  
6 475B.235 may produce marijuana or propagate immature marijuana plants;

7       “(b) Reasonable conditions on the manner in which a marijuana processor  
8 that holds a license issued under ORS 475B.090 may process marijuana or in  
9 which a researcher of cannabis that holds a certificate issued under ORS  
10 475B.235 may process marijuana;

11       “(c) Reasonable conditions on the manner in which a marijuana whole-  
12 saler that holds a license issued under ORS 475B.100 may sell marijuana at  
13 wholesale;

14       “(d) Reasonable conditions on the manner in which a marijuana retailer  
15 that holds a license issued under ORS 475B.110 may sell marijuana items;

16       “(e) Reasonable limitations on the hours during which a premises for  
17 which a license has been issued under ORS 475B.010 to 475B.395 may operate;

18       “(f) Reasonable requirements related to the public’s access to a premises  
19 for which a license or certificate has been issued under ORS 475B.010 to  
20 475B.395; [*and*]

21       “(g) Reasonable limitations on where a premises for which a license or  
22 certificate may be issued under ORS 475B.010 to 475B.395 may be located;  
23 **and**

24       **“(h) Regulations specifying that marijuana may be produced, pro-  
25 cessed or sold for medical purposes only.**

26       “(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing  
27 body of a city or county may adopt ordinances that impose reasonable regu-  
28 lations on the operation of businesses located at premises for which a license  
29 or certificate has been issued under ORS 475B.010 to 475B.395 if the premises  
30 are located in the area subject to the jurisdiction of the city or county, ex-



1 cept that the governing body of a city or county may not:

2 “(a) Adopt an ordinance that prohibits a premises for which a license has  
3 been issued under ORS 475B.110 from being located within a distance that  
4 is greater than 1,000 feet of another premises for which a license has been  
5 issued under ORS 475B.110.

6 “(b) Adopt an ordinance that imposes a setback requirement for an agri-  
7 cultural building used to produce marijuana located on a premises for which  
8 a license has been issued under ORS 475B.070 if the agricultural building:

9 “(A) Was constructed on or before July 1, 2015, in compliance with all  
10 applicable land use and building code requirements at the time of con-  
11 struction;

12 “[*(B)* *Is located at an address where a marijuana grow site first registered*  
13 *with the Oregon Health Authority under ORS 475B.420 on or before January*  
14 *1, 2015;*]

15 “[*(C)*] **(B)** Was used to produce marijuana pursuant to the provisions of  
16 ORS 475B.400 to 475B.525 on or before January 1, 2015; and

17 “[*(D)*] **(C)** Has four opaque walls and a roof.

18 “**SECTION 129.** ORS 475B.370, as amended by section 3, chapter 23,  
19 Oregon Laws 2016, and section 115 of this 2017 Act, is amended to read:

20 “475B.370. (1) Marijuana is:

21 “(a) A crop for the purposes of ‘farm use’ as defined in ORS 215.203;

22 “(b) A crop for purposes of a ‘farm’ and ‘farming practice,’ both as defined  
23 in ORS 30.930;

24 “(c) A product of farm use as described in ORS 308A.062; and

25 “(d) The product of an agricultural activity for purposes of ORS 568.909.

26 “(2) Notwithstanding ORS chapters 195, 196, 197, 215 and 227, the follow-  
27 ing are not permitted uses on land designated for exclusive farm use:

28 “(a) A new dwelling used in conjunction with a marijuana crop;

29 “(b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used  
30 in conjunction with a marijuana crop; and

1 “(c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283  
2 (2)(a), carried on in conjunction with a marijuana crop.

3 “(3) A county may allow the production of marijuana as a farm use on  
4 land zoned for farm or forest use in the same manner as the production of  
5 marijuana is allowed in exclusive farm use zones under this section and ORS  
6 215.213, 215.283 and 475B.063.

7 “(4) This section applies to:

8 “(a) Marijuana producers that hold a license issued under ORS 475B.070;  
9 **and**

10 “[*(b) Persons registered under ORS 475B.420 and designated to produce*  
11 *marijuana by one or more persons who hold valid registry identification cards*  
12 *issued under ORS 475B.415; and*]

13 “[*(c)*] **(b)** For the purpose of producing marijuana or propagating imma-  
14 ture marijuana plants, researchers of cannabis that hold a certificate issued  
15 under ORS 475B.235.

16 “**SECTION 130.** ORS 475B.375, as amended by section 6, chapter 23,  
17 Oregon Laws 2016, and section 14, chapter 83, Oregon Laws 2016, is amended  
18 to read:

19 “475B.375. [*Except for ORS 475B.370 and 475B.373,*] ORS 475B.010 to  
20 475B.395:

21 “(1) Do not apply to the extent a person acts within the scope of and in  
22 compliance with the Oregon Medical Marijuana Act; and

23 “(2) Do not amend or affect duties, functions and powers of the [*Oregon*  
24 *Health Authority*] **Medical Use of Cannabis Board** under the Oregon Med-  
25 ical Marijuana Act.

26

27

**(Repeals)**

28

**(Operative March 30, 2019)**

29

30 “**SECTION 131.** Section 2, chapter 23, Oregon Laws 2016, is repealed.

1                                   **TESTING, PACKAGING, LABELING**  
2                                   **AND OTHER LAWS REGULATING CANNABIS**

3  
4                                   **(Amendments)**

5                                   **(Effective 91st Day After Adjournment Sine Die)**  
6

7            **“SECTION 132.** ORS 475B.555 is amended to read:

8            “475B.555. (1) As is necessary to protect the public health and safety, and  
9 in consultation with the Oregon Liquor Control **and Cannabis** Commission  
10 and the State Department of Agriculture, the Oregon Health Authority shall  
11 adopt rules:

12            “(a) Establishing standards for testing marijuana items.

13            “(b) Identifying appropriate tests for marijuana items, depending on the  
14 type of marijuana item and the manner in which the marijuana item was  
15 produced or processed, that are necessary to protect the public health and  
16 safety, including, but not limited to, tests for:

17            “(A) Microbiological contaminants;

18            “(B) Pesticides;

19            “(C) Other contaminants;

20            “(D) Solvents or residual solvents; and

21            “(E) Tetrahydrocannabinol and cannabidiol concentration.

22            “(c) Establishing procedures for determining batch sizes and for sampling  
23 usable marijuana, cannabinoid products and cannabinoid concentrates or  
24 extracts.

25            “(d) Establishing different minimum standards for different varieties of  
26 usable marijuana and different types of cannabinoid products and  
27 cannabinoid concentrates and extracts.

28            “(2) In addition to the testing requirements established under subsection  
29 (1) of this section, the authority or the commission may require cannabinoid  
30 edibles to be tested in accordance with any applicable law of this state, or

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1 any applicable rule adopted under a law of this state, related to the pro-  
2 duction and processing of food products or commodities.

3 “(3) In adopting rules under ORS 475B.400 to 475B.525, the authority may  
4 require:

5 “(a) A person responsible for a marijuana grow site under ORS 475B.420  
6 to test usable marijuana before transferring the usable marijuana to a reg-  
7 istrant other than an individual who holds a registry identification card  
8 under ORS 475B.415; and

9 “(b) A person processing marijuana to test cannabinoid products or  
10 cannabinoid concentrates or extracts before transferring the cannabinoid  
11 products or cannabinoid concentrates or extracts to a registrant other than  
12 an individual who holds a registry identification card under ORS 475B.415.

13 “(4) In adopting rules under ORS 475B.010 to 475B.395, the commission  
14 may require:

15 “(a) A marijuana producer that holds a license under ORS 475B.070 or a  
16 marijuana wholesaler that holds a license under ORS 475B.100 to test usable  
17 marijuana before selling or transferring the usable marijuana; and

18 “(b) A marijuana processor that holds a license under ORS 475B.090 or a  
19 marijuana wholesaler that holds a license under ORS 475B.100 to test  
20 cannabinoid products or cannabinoid concentrates or extracts before selling  
21 or transferring the cannabinoid products or cannabinoid concentrates or ex-  
22 tracts.

23 “(5) The authority and the commission may conduct random testing of  
24 marijuana items for the purpose of determining whether a person subject to  
25 testing under subsection (3) of this section or a licensee subject to testing  
26 under subsection (4) of this section is in compliance with this section.

27 “(6) In adopting rules to implement this section, the authority and com-  
28 mission may not require a marijuana item to undergo the same test more  
29 than once unless the marijuana item is processed into a different type of  
30 marijuana item or the condition of the marijuana item has fundamentally

1 changed.

2 “(7) The testing of marijuana items as required by this section must be  
3 conducted by a laboratory licensed by the commission under ORS 475B.560  
4 and accredited by the authority under ORS 475B.565.

5 “(8) In adopting rules under subsection (1) of this section, the authority:

6 “(a) Shall consider the cost of a potential testing procedure and how that  
7 cost will affect the cost to the ultimate consumer of the marijuana item; and

8 “(b) May not adopt rules that are more restrictive than is reasonably  
9 necessary to protect the public health and safety.

10 **“SECTION 133.** ORS 475B.560 is amended to read:

11 “475B.560. (1) A laboratory that conducts testing of marijuana items as  
12 required by ORS 475B.555 must have a license to operate at the premises at  
13 which the marijuana items are tested.

14 “(2) For purposes of this section, the Oregon Liquor Control **and**  
15 **Cannabis** Commission shall adopt rules establishing:

16 “(a) Qualifications to be licensed under this section, including that an  
17 applicant for licensure under this section must be accredited by the Oregon  
18 Health Authority as described in ORS 475B.565;

19 “(b) Processes for applying for and renewing a license under this section;

20 “(c) Fees for applying for, receiving and renewing a license under this  
21 section; and

22 “(d) Procedures for:

23 “(A) Tracking usable marijuana, cannabinoid products and cannabinoid  
24 concentrates or extracts to be tested;

25 “(B) Documenting and reporting test results; and

26 “(C) Disposing of samples of usable marijuana, cannabinoid products and  
27 cannabinoid concentrates or extracts that have been tested.

28 “(3) A license issued under this section must be renewed annually.

29 “(4) The commission may inspect premises licensed under this section to  
30 ensure compliance with ORS 475B.550 to 475B.590 and rules adopted under

1 ORS 475B.550 to 475B.590.

2 “(5) Subject to the applicable provisions of ORS chapter 183, the com-  
3 mission may refuse to issue or renew, or may suspend or revoke, a license  
4 issued under this section for violation of:

5 “(a) A provision of ORS 475B.550 to 475B.590 or a rule adopted under a  
6 provision of ORS 475B.550 to 475B.590; or

7 “(b) A provision of ORS 475B.010 to 475B.395 or a rule adopted under a  
8 provision of ORS 475B.010 to 475B.395.

9 “(6) Fees adopted under subsection (2)(c) of this section must be reason-  
10 ably calculated to pay the expenses incurred by the commission under ORS  
11 475B.550 to 475B.590.

12 “(7) Fee moneys collected under this section shall be deposited in the  
13 Marijuana Control and Regulation Fund established under ORS 475B.240 and  
14 are continuously appropriated to the commission for the purpose of carrying  
15 out the duties, functions and powers of the commission under ORS 475B.550  
16 to 475B.590.

17 “**SECTION 134.** ORS 475B.575 is amended to read:

18 “475B.575. Subject to the applicable provisions of ORS chapter 183, if an  
19 applicant or licensee violates a provision of ORS 475B.550 to 475B.590 or a  
20 rule adopted under a provision of ORS 475B.550 to 475B.590, the Oregon Li-  
21 quor Control **and Cannabis** Commission may refuse to issue or renew, or  
22 may suspend or revoke, a license issued under ORS [475B.070, 475B.090,  
23 475B.100 or 475B.110] **475B.010 to 475B.395.**

24 “**SECTION 135.** ORS 475B.605 is amended to read:

25 “475B.605. (1) As is necessary to protect the public health and safety, and  
26 in consultation with the Oregon Liquor Control **and Cannabis** Commission  
27 and the State Department of Agriculture, the Oregon Health Authority shall  
28 adopt rules establishing standards for the labeling of marijuana items, in-  
29 cluding but not limited to:

30 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-

1 tracts, cannabinoid edibles and other cannabinoid products have labeling  
2 that communicates:

3 “(A) Health and safety warnings;

4 “(B) Activation time;

5 “(C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;

6 “(D) Potency;

7 “(E) For cannabinoid products and cannabinoid concentrates and extracts,  
8 serving size and the number of servings included in a cannabinoid product  
9 or cannabinoid concentrate or extract package; and

10 “(F) Content of the marijuana item; and

11 “(b) Labeling that is in accordance with applicable state food labeling  
12 requirements for the same type of food product or potable liquid when the  
13 food product or potable liquid does not contain marijuana or cannabinoids.

14 “(2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall  
15 require all usable marijuana, cannabinoid products and cannabinoid concen-  
16 trates and extracts transferred by a medical marijuana dispensary registered  
17 under ORS 475B.450 to be labeled in accordance with subsection (1) of this  
18 section and rules adopted under subsection (1) of this section.

19 “(3) In adopting rules under ORS 475B.010 to 475B.395, the commission  
20 shall require all usable marijuana, cannabinoid products and cannabinoid  
21 concentrates and extracts sold or transferred by a marijuana retailer that  
22 holds a license **issued** under ORS 475B.110 to be labeled in accordance with  
23 subsection (1) of this section and rules adopted under subsection (1) of this  
24 section.

25 “(4) In adopting rules under subsection (1) of this section, the authority:

26 “(a) May establish different labeling standards for different varieties of  
27 usable marijuana and for different types of cannabinoid products and  
28 cannabinoid concentrates and extracts;

29 “(b) May establish different minimum labeling standards for persons reg-  
30 istered under ORS 475B.400 to 475B.525 and persons licensed under ORS

1 475B.010 to 475B.395;

2 “(c) Shall consider the cost of a potential requirement and how that cost  
3 will affect the cost to the ultimate consumer of the marijuana item; and

4 “(d) May not adopt rules that are more restrictive than is reasonably  
5 necessary to protect the public health and safety.

6 **“SECTION 136.** ORS 475B.610 is amended to read:

7 “475B.610. (1) As used in this section:

8 “(a) ‘Licensee’ has the meaning given that term in ORS 475B.015.

9 “(b) ‘Registrant’ means a person registered under ORS 475B.400 to  
10 475B.525.

11 “(2) The Oregon Liquor Control **and Cannabis** Commission may by rule  
12 require a licensee, and the Oregon Health Authority may by rule require a  
13 registrant, to submit a label intended for use on a marijuana item for pre-  
14 approval by the commission before the licensee or registrant may sell or  
15 transfer a marijuana item bearing the label. The commission shall determine  
16 whether a label submitted under this section complies with ORS 475B.605 and  
17 any rule adopted under ORS 475B.605.

18 “(3) The commission may impose a fee for submitting a label for preap-  
19 proval under this section that is reasonably calculated to not exceed the cost  
20 of administering this section.

21 **“SECTION 137.** ORS 475B.615 is amended to read:

22 “475B.615. (1) As is necessary to protect the public health and safety, and  
23 in consultation with the Oregon Health Authority and the State Department  
24 of Agriculture, the Oregon Liquor Control **and Cannabis** Commission shall  
25 adopt rules establishing standards for the packaging of marijuana items, in-  
26 cluding but not limited to:

27 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-  
28 tracts, cannabinoid edibles and other cannabinoid products are:

29 “(A) Packaged in child-resistant safety packaging; and

30 “(B) Not marketed in a manner that:



1       “(i) Is untruthful or misleading;  
2       “(ii) Is attractive to minors; or  
3       “(iii) Otherwise creates a significant risk of harm to public health and  
4 safety; and

5       “(b) Ensuring that cannabinoid edibles and other cannabinoid products  
6 are not packaged in a manner that is attractive to minors.

7       “(2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall  
8 require all usable marijuana, cannabinoid products and cannabinoid concen-  
9 trates and extracts transferred by a medical marijuana dispensary registered  
10 under ORS 475B.450 to be packaged in accordance with subsection (1) of this  
11 section and rules adopted under subsection (1) of this section.

12       “(3) In adopting rules under ORS 475B.010 to 475B.395, the commission  
13 shall require all usable marijuana, cannabinoid products and cannabinoid  
14 concentrates and extracts sold or transferred by a marijuana retailer that  
15 holds a license **issued** under ORS 475B.110 to be packaged in accordance  
16 with subsection (1) of this section and rules adopted under subsection (1) of  
17 this section.

18       “(4) In adopting rules under subsection (1) of this section the commission:

19       “(a) May establish different packaging standards for different varieties  
20 of usable marijuana and for different types of cannabinoid products and  
21 cannabinoid concentrates and extracts;

22       “(b) May establish different minimum packaging standards for persons  
23 registered under ORS 475B.400 to 475B.525 and persons licensed under ORS  
24 475B.010 to 475B.395;

25       “(c) May consider the effect on the environment of requiring certain  
26 packaging;

27       “(d) Shall consider the cost of a potential requirement and how that cost  
28 will affect the cost to the ultimate consumer of the marijuana item; and

29       “(e) May not adopt rules that are more restrictive than is reasonably  
30 necessary to protect the public health and safety.

1        **SECTION 138.** ORS 475B.620 is amended to read:

2        “475B.620. (1) As used in this section:

3        “(a) ‘Licensee’ has the meaning given that term in ORS 475B.015.

4        “(b) ‘Registrant’ means a person registered under ORS 475B.400 to  
5 475B.525.

6        “(2) The Oregon Liquor Control **and Cannabis** Commission may by rule  
7 require a licensee, and the Oregon Health Authority may by rule require a  
8 registrant, to submit packaging intended for a marijuana item for preap-  
9 proval by the commission before the licensee or registrant may sell or  
10 transfer a marijuana item packaged in the packaging. The commission shall  
11 determine whether packaging submitted under this section complies with  
12 ORS 475B.615 and any rule adopted under ORS 475B.615.

13       “(3) The commission may impose a fee for submitting packaging for pre-  
14 approval under this section that is reasonably calculated to not exceed the  
15 cost of administering this section.

16       **SECTION 139.** ORS 475B.625, as amended by section 15, chapter 83,  
17 Oregon Laws 2016, is amended to read:

18       “475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

19       “(a) The maximum concentration of tetrahydrocannabinol that is permit-  
20 ted in a single serving of a cannabinoid product or cannabinoid concentrate  
21 or extract; and

22       “(b) The number of servings that are permitted in a cannabinoid product  
23 or cannabinoid concentrate or extract package.

24       “(2)(a) In adopting rules under subsection (1)(a) of this section, the au-  
25 thority shall prescribe the different levels of concentration of  
26 tetrahydrocannabinol that is permitted in a single serving of a cannabinoid  
27 product or cannabinoid concentrate or extract for:

28       “(A) Consumers who hold a valid registry identification card issued under  
29 ORS 475B.415; and

30       “(B) Consumers who do not hold a valid registry identification card issued

1 under ORS 475B.415.

2 “(b) In prescribing the levels of concentration of tetrahydrocannabinol  
3 that is permitted in a single serving of a cannabinoid product or cannabinoid  
4 concentrate or extract for consumers who hold a valid registry identification  
5 card issued under ORS 475B.415, the authority shall consider the appropriate  
6 level of concentration necessary to mitigate the symptoms or effects of a  
7 debilitating medical condition, as defined in ORS 475B.410.

8 “(3) In adopting rules under ORS 475B.400 to 475B.525, the authority shall  
9 require all usable marijuana, cannabinoid products and cannabinoid concen-  
10 trates and extracts transferred by a medical marijuana dispensary registered  
11 under ORS 475B.450 to meet the concentration standards and packaging  
12 standards adopted by rule pursuant to this section.

13 “(4) In adopting rules under ORS 475B.010 to 475B.395, the Oregon Liquor  
14 Control **and Cannabis** Commission shall require all usable marijuana,  
15 cannabinoid products and cannabinoid concentrates and extracts sold or  
16 transferred by a marijuana retailer that holds a license **issued** under ORS  
17 475B.110 to meet the concentration standards and packaging standards  
18 adopted by rule pursuant to this section.

19 “**SECTION 140.** ORS 475B.635 is amended to read:

20 “475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any  
21 rule adopted under ORS 475B.600 to 475B.655, the Oregon Liquor Control  
22 **and Cannabis** Commission may inspect the premises of a person that holds  
23 a license **issued** under ORS [475B.070, 475B.090, 475B.100 or 475B.110]  
24 **475B.010 to 475B.395.**

25 “**SECTION 141.** ORS 475B.645 is amended to read:

26 “475B.645. Subject to the applicable provisions of ORS chapter 183, if the  
27 applicant or licensee violates a provision of ORS 475B.600 to 475B.655 or a  
28 rule adopted under a provision of ORS 475B.600 to 475B.655, the Oregon Li-  
29 quor Control **and Cannabis** Commission may refuse to issue or renew, or  
30 may suspend or revoke, a license issued under ORS [475B.070, 475B.090,

1 475B.100 or 475B.110] 475B.010 to 475B.395.

2 **“SECTION 142.** ORS 475B.705, as amended by section 6, chapter 91,  
3 Oregon Laws 2016, is amended to read:

4 “475B.705. (1) A tax is hereby imposed upon the retail sale of marijuana  
5 items in this state. The tax imposed by this section is a direct tax on the  
6 consumer, for which payment upon retail sale is required. The tax shall be  
7 collected at the point of sale of a marijuana item by a marijuana retailer at  
8 the time at which the retail sale occurs.

9 “(2) The tax imposed under this section shall be imposed at the rate of:

10 “(a) 17 percent of the retail sales price of marijuana leaves;

11 “(b) 17 percent of the retail sales price of marijuana flowers;

12 “(c) 17 percent of the retail sales price of immature marijuana plants;

13 “(d) 17 percent of the retail sales price of a cannabinoid edible;

14 “(e) 17 percent of the retail sales price of a cannabinoid concentrate;

15 “(f) 17 percent of the retail sales price of a cannabinoid extract;

16 “(g) 17 percent of the retail sales price of a cannabinoid product that is  
17 intended to be used by applying the cannabinoid product to the skin or hair;  
18 and

19 “(h) 17 percent of the retail sales price of cannabinoid products other than  
20 those described in paragraph (g) of this subsection.

21 “(3) If the tax imposed under this section does not equal an amount cal-  
22 culable to a whole cent, the tax shall be equal to the next higher whole cent.

23 “(4) Except as otherwise provided by the Department of Revenue by rule,  
24 the amount of the tax shall be separately stated on an invoice, receipt or  
25 other similar document that the marijuana retailer provides to the consumer  
26 at the time at which the retail sale occurs.

27 “(5) A person may not knowingly sell, purchase, install, transfer or pos-  
28 sess electronic devices or software programs for the purposes of:

29 “(a) Hiding or removing records of retail sales of marijuana items; or

30 “(b) Falsifying records of retail sales of marijuana items.

1       “(6)(a) A marijuana retailer may not discount a marijuana item or offer  
2 a marijuana item for free if the retail sale of the marijuana item is made in  
3 conjunction with the retail sale of any other item.

4       “(b) Paragraph (a) of this subsection does not affect any provision of ORS  
5 475B.010 to 475B.395 or any rule adopted by the Oregon Liquor Control **and**  
6 **Cannabis** Commission pursuant to ORS 475B.010 to 475B.395 that is related  
7 to the retail sale of marijuana items.

8       “**SECTION 143.** ORS 475B.730, as amended by section 4, chapter 91,  
9 Oregon Laws 2016, is amended to read:

10       “475B.730. (1) Notwithstanding the confidentiality provisions of ORS  
11 475B.755, the Department of Revenue may disclose information received un-  
12 der ORS 317.363 and 475B.700 to 475B.760 to:

13       “(a) The Oregon Liquor Control **and Cannabis** Commission to carry out  
14 the provisions of ORS 475B.010 to 475B.395 and 475B.700 to 475B.760; and

15       “(b) The Oregon Health Authority to carry out the provisions of section  
16 2, chapter 91, Oregon Laws 2016.

17       “(2) The commission may disclose information obtained pursuant to ORS  
18 475B.010 to 475B.395 and 475B.700 to 475B.760 to the department for the  
19 purpose of carrying out the provisions of ORS 475B.010 to 475B.395 and  
20 475B.700 to 475B.760.

21       “(3) The authority may disclose information obtained pursuant to ORS  
22 475B.415 or 475B.418 to the department for the purpose of carrying out the  
23 provisions of section 2, chapter 91, Oregon Laws 2016, provided that the au-  
24 thority does not disclose personally identifiable information.

25       “**SECTION 144.** ORS 475B.750, as amended by section 5, chapter 91,  
26 Oregon Laws 2016, is amended to read:

27       “475B.750. (1) The Department of Revenue shall administer and enforce  
28 ORS 475B.700 to 475B.760. The department is authorized to establish rules  
29 and procedures for the implementation and enforcement of ORS 475B.700 to  
30 475B.760 that are consistent with ORS 475B.700 to 475B.760 and that the de-

1 department considers necessary and appropriate to administer and enforce ORS  
2 475B.700 to 475B.760.

3 “(2) The Oregon Liquor Control **and Cannabis** Commission shall enter  
4 into an agreement with the department for the purpose of administering and  
5 enforcing those provisions of ORS 475B.700 to 475B.760, and rules or proce-  
6 dures established for the purpose of implementing and enforcing ORS  
7 475B.700 to 475B.760, that the commission and the department determine are  
8 necessary for the effective and efficient administration, implementation and  
9 enforcement of ORS 475B.700 to 475B.760.

10 “(3) The Oregon Health Authority shall enter into an agreement with the  
11 department for the purpose of administering and enforcing the provisions of  
12 section 2, chapter 91, Oregon Laws 2016, and rules or procedures established  
13 for the purpose of implementing and enforcing section 2, chapter 91, Oregon  
14 Laws 2016, that the authority and the department determine are necessary  
15 for the effective and efficient administration, implementation and enforce-  
16 ment of section 2, chapter 91, Oregon Laws 2016.

17 “**SECTION 145.** ORS 475B.800, as amended by section 31, chapter 24,  
18 Oregon Laws 2016, is amended to read:

19 “475B.800. (1) The governing body of a city or county may adopt ordi-  
20 nances to be referred to the electors of the city or county as described in  
21 subsection (2) of this section that prohibit or allow the establishment of any  
22 one or more of the following in the area subject to the jurisdiction of the  
23 city or in the unincorporated area subject to the jurisdiction of the county:

24 “(a) Marijuana processing sites registered under ORS 475B.435;

25 “(b) Medical marijuana dispensaries registered under ORS 475B.450;

26 “(c) Marijuana producers [*licensed*] **that hold a license issued** under  
27 ORS 475B.070;

28 “(d) Marijuana processors [*licensed*] **that hold a license issued** under  
29 ORS 475B.090;

30 “(e) Marijuana wholesalers [*licensed*] **that hold a license issued** under

1 ORS 475B.100;

2 “(f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS  
3 475B.110; or

4 “(g) Any combination of the entities described in this subsection.

5 “(2) If the governing body of a city or county adopts an ordinance under  
6 this section, the governing body shall submit the measure of the ordinance  
7 to the electors of the city or county for approval at the next statewide gen-  
8 eral election.

9 “(3) If the governing body of a city or county adopts an ordinance under  
10 this section, the governing body must provide the text of the ordinance:

11 “(a) To the Oregon Health Authority, in a form and manner prescribed  
12 by the authority, if the ordinance concerns a medical marijuana dispensary  
13 registered under ORS 475B.450 or a marijuana processing site registered un-  
14 der ORS 475B.435; or

15 “(b) To the Oregon Liquor Control **and Cannabis** Commission, if the or-  
16 dinance concerns a premises for which a license has been issued under ORS  
17 [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395.**

18 “(4)(a) Upon receiving notice of a prohibition under subsection (3) of this  
19 section, the authority shall discontinue registering those entities to which  
20 the prohibition applies until the date of the next statewide general election.

21 “(b) Upon receiving notice of a prohibition under subsection (3) of this  
22 section, the commission shall discontinue licensing those premises to which  
23 the prohibition applies until the date of the next statewide general election.

24 “(5)(a) If an allowance is approved at the next statewide general election  
25 under subsection (2) of this section, and the allowance concerns an entity  
26 described in subsection (1)(a) or (b) of this section, the authority shall begin  
27 registering the entity to which the allowance applies on the first business  
28 day of the January immediately following the date of the statewide general  
29 election.

30 “(b) If an allowance is approved at the next statewide general election

1 under subsection (2) of this section, and the allowance concerns an entity  
2 described in subsection (1)(c) to (f) of this section, the commission shall be-  
3 gin licensing the premises to which the allowance applies on the first busi-  
4 ness day of the January immediately following the date of the next statewide  
5 general election.

6 “(6) Notwithstanding any other provisions of law, a city or county that  
7 adopts an ordinance under this section that prohibits the establishment of  
8 an entity described in subsection (1) of this section may not impose a tax  
9 or fee on the production, processing or sale of marijuana or any product into  
10 which marijuana has been incorporated.

11 “(7) Notwithstanding subsection (1) of this section, a medical marijuana  
12 dispensary is not subject to an ordinance adopted under this section if the  
13 medical marijuana dispensary:

14 “(a) Is registered under ORS 475B.450 on or before the date on which the  
15 governing body adopts the ordinance; and

16 “(b) Has successfully completed a city or county land use application  
17 process.

18 “(8) Notwithstanding subsection (1) of this section, a marijuana process-  
19 ing site is not subject to an ordinance adopted under this section if the  
20 marijuana processing site:

21 “(a) Is registered under ORS 475B.435 on or before the date on which the  
22 governing body adopts the ordinance; and

23 “(b) Has successfully completed a city or county land use application  
24 process.

25 “**SECTION 146.** Section 11, chapter 23, Oregon Laws 2016, is amended to  
26 read:

27 “**Sec. 11.** For the purpose of requesting a state or nationwide criminal  
28 records check under ORS 181A.195, the Oregon Liquor Control **and**  
29 **Cannabis** Commission may require the fingerprints of any individual listed  
30 on an application submitted under ORS 475B.560. The powers conferred on



1 the commission under this section include the power to require the finger-  
2 prints of:

3 “(1) If the applicant is a limited partnership, each partner of the limited  
4 partnership;

5 “(2) If the applicant is a limited liability company, each member of the  
6 limited liability company;

7 “(3) If the applicant is a corporation, each director and officer of the  
8 corporation;

9 “(4) Any individual who holds a financial interest of 10 percent or more  
10 in the person applying for the license; and

11 “(5) Any individual who is a partner, member, director or officer of a legal  
12 entity with a financial interest in the person applying for the license.

13 “**SECTION 147.** Section 30, chapter 24, Oregon Laws 2016, is amended to  
14 read:

15 “**Sec. 30.** (1) The governing body of a city or county may repeal an ordi-  
16 nance that prohibits the establishment of any one or more of the following  
17 in the area subject to the jurisdiction of the city or in the unincorporated  
18 area subject to the jurisdiction of the county:

19 “(a) Marijuana processing sites registered under ORS 475B.435;

20 “(b) Medical marijuana dispensaries registered under ORS 475B.450;

21 “(c) Marijuana producers [*licensed*] **that hold a license issued** under  
22 ORS 475B.070;

23 “(d) Marijuana processors [*licensed*] **that hold a license issued** under  
24 ORS 475B.090;

25 “(e) Marijuana wholesalers [*licensed*] **that hold a license issued** under  
26 ORS 475B.100;

27 “(f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS  
28 475B.110; or

29 “(g) Any combination of the entities described in this subsection.

30 “(2) If the governing body of a city or county repeals an ordinance under

1 this section, the governing body must provide the text of the ordinance:

2 “(a) To the Oregon Health Authority, in a form and manner prescribed  
3 by the authority, if the ordinance concerns a medical marijuana dispensary  
4 registered under ORS 475B.450 or a marijuana processing site registered un-  
5 der ORS 475B.435; or

6 “(b) To the Oregon Liquor Control **and Cannabis** Commission, in a form  
7 and manner prescribed by the commission, if the ordinance concerns a  
8 premises for which a license has been issued under ORS [475B.070, 475B.090,  
9 475B.100 or 475B.110] **475B.010 to 475B.395.**

10 **“SECTION 148.** Section 47, chapter 24, Oregon Laws 2016, is amended to  
11 read:

12 **“Sec. 47.** (1) Except for licensees and licensee representatives acting in  
13 accordance with ORS 475B.010 to 475B.395, and any rule adopted under ORS  
14 475B.010 to 475B.395, it is unlawful for any person under 21 years of age to  
15 knowingly or intentionally possess:

16 “(a) An amount of marijuana plants in excess of the amount of marijuana  
17 plants allowed under ORS 475B.245 (1).

18 “(b) More than one ounce of usable marijuana in a public place.

19 “(c) More than eight ounces of usable marijuana.

20 “(d) More than 16 ounces of cannabinoid products in solid form or  
21 cannabinoid concentrates.

22 “(e) More than 72 ounces of cannabinoid products in liquid form.

23 “(f) More than one ounce of cannabinoid extracts.

24 “(g) A cannabinoid extract that was not purchased from a marijuana  
25 retailer that holds a license **issued** under ORS 475B.110.

26 “(2) A violation of this section is a Class A misdemeanor.

27 **“SECTION 149.** Section 9, chapter 71, Oregon Laws 2016, is amended to  
28 read:

29 **“Sec. 9.** (1) For purposes of this section, ‘consumption’ means to ingest,  
30 inhale or topically apply to the skin or hair.

1       “(2) A laboratory licensed by the Oregon Liquor Control **and Cannabis**  
2 Commission under ORS 475B.560 and accredited by the Oregon Health Au-  
3 thority pursuant to ORS 475B.565 may test industrial hemp and industrial  
4 hemp commodities and products produced or processed by a grower, handler  
5 or agricultural hemp seed producer registered under ORS 571.305.

6       “(3) A handler registered under ORS 571.305 may not sell an industrial  
7 hemp commodity or product that is intended for human consumption unless  
8 the commodity or product is tested by a laboratory described in subsection  
9 (2) of this section to ensure that the commodity or product meets the re-  
10 quirements adopted by the Oregon Health Authority under ORS 475B.555  
11 (1)(a) and (b) [*and* (2)] for testing marijuana items.

12       “(4) For purposes of this section, the State Department of Agriculture  
13 shall adopt rules:

14       “(a) Establishing protocols for the testing of industrial hemp commodities  
15 and products; and

16       “(b) Establishing procedures for determining batch sizes and for sampling  
17 industrial hemp commodities and products.

18       “**SECTION 150.** Section 9a, chapter 71, Oregon Laws 2016, is amended to  
19 read:

20       “**Sec. 9a.** (1) The State Department of Agriculture may enter into an  
21 agreement with the Oregon Health Authority for the purpose of developing  
22 standards for investigating and testing an industrial hemp crop to ensure  
23 that the crop contains an average tetrahydrocannabinol concentration that  
24 does not exceed 0.3 percent on a dry weight basis.

25       “(2) In accordance with standards developed under subsection (1) of this  
26 section, a laboratory licensed by the Oregon Liquor Control **and Cannabis**  
27 Commission under ORS 475B.560 and accredited by the authority pursuant  
28 to ORS 475B.565 may test an industrial hemp crop for the purpose of deter-  
29 mining the average tetrahydrocannabinol concentration of the crop.

30       “(3) A laboratory described in subsection (2) of this section must provide

1 the test results to the department in a form and manner prescribed by the  
2 department.

3 **“SECTION 151.** Section 2, chapter 97, Oregon Laws 2016, is amended to  
4 read:

5 **“Sec. 2.** A financial institution that provides financial services custom-  
6 arily provided by financial institutions pursuant to powers granted by ORS  
7 717.200 to 717.320, 717.900 and 717.905, the Bank Act or by ORS chapter 723  
8 to a marijuana processing site registered under ORS 475B.435, a medical  
9 marijuana dispensary registered under ORS 475B.450, a marijuana producer  
10 that holds a license **issued** under ORS 475B.070, a marijuana processor that  
11 holds a license **issued** under ORS 475B.090, a marijuana wholesaler that  
12 holds a license **issued** under ORS 475B.100, a marijuana retailer that holds  
13 a license **issued** under ORS 475B.110, a laboratory that holds a license **is-**  
14 **sued** under ORS 475B.560 or a person to whom a permit has been issued  
15 under ORS 475B.218 is exempt from any criminal law of this state an element  
16 of which may be proven by substantiating that a person provides financial  
17 services customarily provided by financial institutions pursuant to powers  
18 granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS  
19 chapter 723 to a person [*who*] **that** possesses, delivers or manufactures  
20 marijuana or marijuana-derived products.

21 **“SECTION 152.** Section 3, chapter 97, Oregon Laws 2016, is amended to  
22 read:

23 **“Sec. 3.** (1) Notwithstanding any law relating to the exemption of infor-  
24 mation from public disclosure under ORS 475B.010 to 475B.395 or 475B.550  
25 to 475B.590, upon the request of a financial institution, the Oregon Liquor  
26 Control **and Cannabis** Commission shall provide to the financial institution  
27 the following information:

28 **“(a)** Whether a person with whom the financial institution is doing busi-  
29 ness holds a license **issued** under ORS [~~475B.070, 475B.090, 475B.100,~~  
30 ~~475B.110~~] **475B.010 to 475B.395** or 475B.560 or a permit **issued** under ORS

1 475B.218;

2 “(b) The name of any other business or individual affiliated with the  
3 person;

4 “(c) A copy of the application, and any supporting documentation sub-  
5 mitted with the application, for a license or a permit submitted by the per-  
6 son;

7 “(d) If applicable, data relating to sales and the volume of product sold  
8 by the person;

9 “(e) Whether the person is currently compliant with the provisions of  
10 ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 and  
11 rules adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and  
12 475B.600 to 475B.655;

13 “(f) Any past or pending violation by the person of a provision of ORS  
14 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule  
15 adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to  
16 475B.655; and

17 “(g) Any penalty imposed upon the person for violating a provision of  
18 ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a  
19 rule adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or  
20 475B.600 to 475B.655.

21 “(2) Upon receiving a request under subsection (1) of this section, the  
22 commission shall provide the requesting financial institution with the re-  
23 quested information.

24 “(3) The commission may charge a financial institution a reasonable fee  
25 to cover the administrative costs of providing information under this section.

26

27 **(Rulemaking With Respect to Labeling and Dosage)**

28 **(Operative January 1, 2018)**

29

30 **“SECTION 153. (1) On the operative date specified in section 356 of**

1 this 2017 Act, the duty of the Oregon Health Authority to adopt rules  
2 under ORS 475B.605 (1) and 475B.625 (1), and the power of the authority  
3 to impose civil penalties under ORS 475B.655, are imposed upon,  
4 transferred to and vested in the Oregon Liquor Control Commission.

5 “(2) Notwithstanding the transfer of the duty to adopt rules under  
6 subsection (1) of this section, the rules of the authority that are in  
7 effect on the operative date specified in section 356 of this 2017 Act  
8 continue in effect until superseded or repealed by rules of the com-  
9 mission. References in the rules of the authority to the authority or  
10 an officer or employee of the authority are considered to be references  
11 to the commission or an officer or employee of the commission.

12 “(3) Notwithstanding the transfer of the power to impose civil pen-  
13 alties under subsection (1) of this section, the proceedings of the au-  
14 thority that are pending on the operative date specified in section 356  
15 of this 2017 Act are not affected by the transfer, except that the com-  
16 mission is substituted for the authority in the proceedings and moneys  
17 collected by the commission under the proceedings must be deposited  
18 in the Marijuana Control and Regulation Fund established under ORS  
19 475B.240.

20 “**SECTION 154.** ORS 475B.605, as amended by section 135 of this 2017  
21 Act, is amended to read:

22 “475B.605. (1) As is necessary to protect the public health and safety, and  
23 in consultation with the [*Oregon Liquor Control and Cannabis Commission*]  
24 **Oregon Health Authority** and the State Department of Agriculture, the  
25 [*Oregon Health Authority*] **Oregon Liquor Control and Cannabis Com-**  
26 **mission** shall adopt rules establishing standards for the labeling of  
27 marijuana items, including but not limited to:

28 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-  
29 tracts, cannabinoid edibles and other cannabinoid products have labeling  
30 that communicates:

1       “(A) Health and safety warnings;  
2       “(B) Activation time;  
3       “(C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;  
4       “(D) Potency;  
5       “(E) For cannabinoid products and cannabinoid concentrates and extracts,  
6 serving size and the number of servings included in a cannabinoid product  
7 or cannabinoid concentrate or extract package; and  
8       “(F) Content of the marijuana item; and  
9       “(b) Labeling that is in accordance with applicable state food labeling  
10 requirements for the same type of food product or potable liquid when the  
11 food product or potable liquid does not contain marijuana or cannabinoids.  
12       “(2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall  
13 require all usable marijuana, cannabinoid products and cannabinoid concen-  
14 trates and extracts transferred by a medical marijuana dispensary registered  
15 under ORS 475B.450 to be labeled in accordance with subsection (1) of this  
16 section and rules adopted under subsection (1) of this section.  
17       “(3) In adopting rules under ORS 475B.010 to 475B.395, the commission  
18 shall require all usable marijuana, cannabinoid products and cannabinoid  
19 concentrates and extracts sold or transferred by a marijuana retailer that  
20 holds a license issued under ORS 475B.110 to be labeled in accordance with  
21 subsection (1) of this section and rules adopted under subsection (1) of this  
22 section.  
23       “(4) In adopting rules under subsection (1) of this section, the  
24 [*authority:*] **commission:**  
25       “(a) May establish different labeling standards for different varieties of  
26 usable marijuana and for different types of cannabinoid products and  
27 cannabinoid concentrates and extracts;  
28       “(b) May establish different minimum labeling standards for persons reg-  
29 istered under ORS 475B.400 to 475B.525 and persons licensed under ORS  
30 475B.010 to 475B.395;

1 “(c) Shall consider the cost of a potential requirement and how that cost  
2 will affect the cost to the ultimate consumer of the marijuana item; and

3 “(d) May not adopt rules that are more restrictive than is reasonably  
4 necessary to protect the public health and safety.

5 “**SECTION 155.** ORS 475B.625, as amended by section 15, chapter 83,  
6 Oregon Laws 2016, and section 139 of this 2017 Act, is amended to read:

7 “475B.625. (1) The [*Oregon Health Authority*] **Oregon Liquor Control**  
8 **and Cannabis Commission** shall adopt rules establishing:

9 “(a) The maximum concentration of tetrahydrocannabinol that is permit-  
10 ted in a single serving of a cannabinoid product or cannabinoid concentrate  
11 or extract; and

12 “(b) The number of servings that are permitted in a cannabinoid product  
13 or cannabinoid concentrate or extract package.

14 “(2)(a) In adopting rules under subsection (1)(a) of this section, the [*au-*  
15 *thority*] **commission** shall prescribe the different levels of concentration of  
16 tetrahydrocannabinol that is permitted in a single serving of a cannabinoid  
17 product or cannabinoid concentrate or extract for:

18 “(A) Consumers who hold a valid registry identification card issued under  
19 ORS 475B.415; and

20 “(B) Consumers who do not hold a valid registry identification card issued  
21 under ORS 475B.415.

22 “(b) In prescribing the levels of concentration of tetrahydrocannabinol  
23 that is permitted in a single serving of a cannabinoid product or cannabinoid  
24 concentrate or extract for consumers who hold a valid registry identification  
25 card issued under ORS 475B.415, the [*authority*] **commission** shall consider  
26 the appropriate level of concentration necessary to mitigate the symptoms  
27 or effects of a debilitating medical condition, as defined in ORS 475B.410.

28 “(3) In adopting rules under ORS 475B.400 to 475B.525, the **Oregon**  
29 **Health Authority** shall require all usable marijuana, cannabinoid products  
30 and cannabinoid concentrates and extracts transferred by a medical



1 marijuana dispensary registered under ORS 475B.450 to meet the concen-  
2 tration standards and packaging standards adopted by rule pursuant to this  
3 section.

4 “(4) In adopting rules under ORS 475B.010 to 475B.395, the [*Oregon Liquor*  
5 *Control and Cannabis*] commission shall require all usable marijuana,  
6 cannabinoid products and cannabinoid concentrates and extracts sold or  
7 transferred by a marijuana retailer that holds a license issued under ORS  
8 475B.110 to meet the concentration standards and packaging standards  
9 adopted by rule pursuant to this section.

10 **“SECTION 156.** ORS 475B.655 is amended to read:

11 “475B.655. (1) In addition to any other liability or penalty provided by  
12 law, the [*Oregon Health Authority*] **Oregon Liquor Control Commission**  
13 may impose for each violation of a provision of ORS 475B.600 to 475B.655,  
14 or a rule adopted under a provision of ORS 475B.600 to 475B.655, a civil  
15 penalty that does not exceed \$500 for each day that the violation occurs.

16 “(2) The [*authority*] **commission** shall impose civil penalties under this  
17 section in the manner provided by ORS 183.745.

18 “(3) Moneys collected under this section shall be deposited in the [*Oregon*  
19 *Health Authority Fund established under ORS 413.101*] **Marijuana Control**  
20 **and Regulation Fund established under ORS 475B.240** and are contin-  
21 uously appropriated to the [*authority*] **commission** for the purpose of car-  
22 rying out the duties, functions and powers of the authority under ORS  
23 475B.600 to 475B.655.

24

25 **(Exclusively Medical Licensees)**

26 **(Operative January 1, 2018)**

27

28 **“SECTION 157.** Sections 158, 159, 160 and 161 of this 2017 Act are  
29 added to and made a part of ORS 475B.010 to 475B.395.

30 **“SECTION 158.** (1) The Oregon Liquor Control and Cannabis Com-

1 mission shall designate any marijuana producer that holds a license  
2 issued under ORS 475B.070 and that is registered under section 2,  
3 chapter 83, Oregon Laws 2016, as an exclusively medical licensee if the  
4 marijuana producer attests, in a form and manner prescribed by the  
5 commission, to:

6 “(a) Producing marijuana only for a medical purpose; and

7 “(b) Only transferring usable marijuana to marijuana processors  
8 registered under section 3, chapter 83, Oregon Laws 2016, marijuana  
9 wholesalers registered under section 4, chapter 83, Oregon Laws 2016,  
10 marijuana retailers registered under section 5, chapter 83, Oregon  
11 Laws 2016, registry identification cardholders and designated primary  
12 caregivers.

13 “(2) If the commission makes a designation under this section, the  
14 commission shall keep a record of the designation.

15 “SECTION 159. (1) The Oregon Liquor Control and Cannabis Com-  
16 mission shall designate any marijuana processor that holds a license  
17 issued under ORS 475B.090 and that is registered under section 3,  
18 chapter 83, Oregon Laws 2016, as an exclusively medical licensee if the  
19 marijuana processor attests, in a form and manner prescribed by the  
20 commission, to:

21 “(a) Processing marijuana only for a medical purpose;

22 “(b) Only receiving usable marijuana from a marijuana producer  
23 registered under section 2, chapter 83, Oregon Laws 2016; and

24 “(c) Only transferring cannabinoid products, cannabinoid concen-  
25 trates and cannabinoid extracts to marijuana wholesalers registered  
26 under section 4, chapter 83, Oregon Laws 2016, marijuana retailers  
27 registered under section 5, chapter 83, Oregon Laws 2016, registry  
28 identification cardholders and designated primary caregivers.

29 “(2) If the commission makes a designation under this section, the  
30 commission shall keep a record of the designation.

1       **“SECTION 160. (1) The Oregon Liquor Control and Cannabis Com-**  
2 **mission shall designate any marijuana wholesaler that holds a license**  
3 **issued under ORS 475B.100 and that is registered under section 4,**  
4 **chapter 83, Oregon Laws 2016, as an exclusively medical licensee if the**  
5 **marijuana wholesaler attests, in a form and manner prescribed by the**  
6 **commission, to:**

7       **“(a) Selling marijuana only for a medical purpose;**

8       **“(b) Only receiving usable marijuana from marijuana producers**  
9 **registered under section 2, chapter 83, Oregon Laws 2016, and**  
10 **marijuana processors registered under section 3, chapter 83, Oregon**  
11 **Laws 2016;**

12       **“(c) Only receiving cannabinoid products, cannabinoid concentrates**  
13 **and cannabinoid extracts from a marijuana processor registered under**  
14 **section 3, chapter 83, Oregon Laws 2016; and**

15       **“(d) Only transferring usable marijuana, cannabinoid products,**  
16 **cannabinoid concentrates and cannabinoid extracts to marijuana**  
17 **retailers registered under section 5, chapter 83, Oregon Laws 2016,**  
18 **registry identification cardholders and designated primary caregivers.**  
19 **If the commission makes a designation under this section, the com-**  
20 **mission shall keep a record of the designation.**

21       **“SECTION 161. (1) The Oregon Liquor Control and Cannabis Com-**  
22 **mission shall designate any marijuana retailer that holds a license is-**  
23 **sued under ORS 475B.110 and that is registered under section 5,**  
24 **chapter 83, Oregon Laws 2016, as an exclusively medical licensee if the**  
25 **marijuana retailer attests, in a form and manner prescribed by the**  
26 **commission, to:**

27       **“(a) Selling marijuana only for a medical purpose;**

28       **“(b) Only receiving usable marijuana from marijuana producers**  
29 **registered under section 2, chapter 83, Oregon Laws 2016, marijuana**  
30 **processors registered under section 3, chapter 83, Oregon Laws 2016,**

1 and marijuana wholesalers registered under section 4, chapter 83,  
2 Oregon Laws 2016;

3 “(c) Only receiving cannabinoid products, cannabinoid concentrates  
4 and cannabinoid extracts from a marijuana processor registered under  
5 section 3, chapter 83, Oregon Laws 2016; and

6 “(d) Only transferring usable marijuana, cannabinoid products,  
7 cannabinoid concentrates and cannabinoid extracts to registry iden-  
8 tification cardholders and designated primary caregivers.

9 “(2) If the commission makes a designation under this section, the  
10 commission shall keep a record of the designation.

11 “SECTION 162. ORS 475B.800, as amended by section 31, chapter 24,  
12 Oregon Laws 2016, and section 145 of this 2017 Act, is amended to read:

13 “475B.800. (1) The governing body of a city or county may adopt ordi-  
14 nances to be referred to the electors of the city or county as described in  
15 subsection (2) of this section that prohibit or allow the establishment of any  
16 one or more of the following in the area subject to the jurisdiction of the  
17 city or in the unincorporated area subject to the jurisdiction of the county:

18 “(a) Marijuana processing sites registered under ORS 475B.435;

19 “(b) Medical marijuana dispensaries registered under ORS 475B.450;

20 “(c) Marijuana producers that hold a license issued under ORS 475B.070;

21 “(d) Marijuana processors that hold a license issued under ORS 475B.090;

22 “(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

23 “(f) Marijuana retailers that hold a license issued under ORS 475B.110;

24 [*or*]

25 “(g) Marijuana producers that hold a license issued under ORS  
26 475B.070 and that the Oregon Liquor Control and Cannabis Commission  
27 has designated an exclusively medical licensee under section 158 of this  
28 2017 Act;

29 “(h) Marijuana processors that hold a license issued under ORS  
30 475B.090 and that the commission has designated an exclusively med-

1 **ical licensee under section 159 of this 2017 Act;**

2 **“(i) Marijuana wholesalers that hold a license issued under ORS**  
3 **475B.100 and that the commission has designated an exclusively med-**  
4 **ical licensee under section 160 of this 2017 Act;**

5 **“(j) Marijuana retailers that hold a license issued under ORS**  
6 **475B.110 and that the commission has designated an exclusively med-**  
7 **ical licensee under section 161 of this 2017 Act; or**

8 **“[(g)] (k) Any combination of the entities described in this subsection.**

9 **“(2) If the governing body of a city or county adopts an ordinance under**  
10 **this section, the governing body shall submit the measure of the ordinance**  
11 **to the electors of the city or county for approval at the next statewide gen-**  
12 **eral election.**

13 **“(3) If the governing body of a city or county adopts an ordinance under**  
14 **this section, the governing body must provide the text of the ordinance:**

15 **“(a) To the Oregon Health Authority, in a form and manner prescribed**  
16 **by the authority, if the ordinance concerns a medical marijuana dispensary**  
17 **registered under ORS 475B.450 or a marijuana processing site registered un-**  
18 **der ORS 475B.435; or**

19 **“(b) To the [*Oregon Liquor Control and Cannabis*] commission, if the or-**  
20 **dinance concerns a premises for which a license has been issued under ORS**  
21 **475B.010 to 475B.395.**

22 **“(4)(a) Upon receiving notice of a prohibition under subsection (3) of this**  
23 **section, the authority shall discontinue registering those entities to which**  
24 **the prohibition applies until the date of the next statewide general election.**

25 **“(b) Upon receiving notice of a prohibition under subsection (3) of this**  
26 **section, the commission shall discontinue licensing those premises to which**  
27 **the prohibition applies until the date of the next statewide general election.**

28 **“(5)(a) If an allowance is approved at the next statewide general election**  
29 **under subsection (2) of this section, and the allowance concerns an entity**  
30 **described in subsection (1)(a) or (b) of this section, the authority shall begin**

1 registering the entity to which the allowance applies on the first business  
2 day of the January immediately following the date of the statewide general  
3 election.

4 “(b) If an allowance is approved at the next statewide general election  
5 under subsection (2) of this section, and the allowance concerns an entity  
6 described in subsection (1)(c) to (f) of this section, the commission shall be-  
7 gin licensing the premises to which the allowance applies on the first busi-  
8 ness day of the January immediately following the date of the next statewide  
9 general election.

10 “(6) Notwithstanding any other provisions of law, a city or county that  
11 adopts an ordinance under this section that prohibits the establishment of  
12 an entity described in subsection (1) of this section may not impose a tax  
13 or fee on the production, processing or sale of marijuana or any product into  
14 which marijuana has been incorporated.

15 “(7) Notwithstanding subsection (1) of this section, a medical marijuana  
16 dispensary is not subject to an ordinance adopted under this section if the  
17 medical marijuana dispensary:

18 “(a) Is registered under ORS 475B.450 on or before the date on which the  
19 governing body adopts the ordinance; and

20 “(b) Has successfully completed a city or county land use application  
21 process.

22 “(8) Notwithstanding subsection (1) of this section, a marijuana process-  
23 ing site is not subject to an ordinance adopted under this section if the  
24 marijuana processing site:

25 “(a) Is registered under ORS 475B.435 on or before the date on which the  
26 governing body adopts the ordinance; and

27 “(b) Has successfully completed a city or county land use application  
28 process.

29 “**SECTION 163.** Section 30, chapter 24, Oregon Laws 2016, as amended  
30 by section 147 of this 2017 Act, is amended to read:

1       **“Sec. 30.** (1) The governing body of a city or county may repeal an ordi-  
2 nance that prohibits the establishment of any one or more of the following  
3 in the area subject to the jurisdiction of the city or in the unincorporated  
4 area subject to the jurisdiction of the county:

5       “(a) Marijuana processing sites registered under ORS 475B.435;

6       “(b) Medical marijuana dispensaries registered under ORS 475B.450;

7       “(c) Marijuana producers that hold a license issued under ORS 475B.070;

8       “(d) Marijuana processors that hold a license issued under ORS 475B.090;

9       “(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

10       “(f) Marijuana retailers that hold a license issued under ORS 475B.110;

11 [or]

12       **“(g) Marijuana producers that hold a license issued under ORS**  
13 **475B.070 and that the Oregon Liquor Control and Cannabis Commission**  
14 **has designated an exclusively medical licensee under section 158 of this**  
15 **2017 Act;**

16       **“(h) Marijuana processors that hold a license issued under ORS**  
17 **475B.090 and that the commission has designated an exclusively med-**  
18 **ical licensee under section 159 of this 2017 Act;**

19       **“(i) Marijuana wholesalers that hold a license issued under ORS**  
20 **475B.100 and that the commission has designated an exclusively med-**  
21 **ical licensee under section 160 of this 2017 Act;**

22       **“(j) Marijuana retailers that hold a license issued under ORS**  
23 **475B.110 and that the commission has designated an exclusively med-**  
24 **ical licensee under section 161 of this 2017 Act; or**

25       “(k) Any combination of the entities described in this subsection.

26       “(2) If the governing body of a city or county repeals an ordinance under  
27 this section, the governing body must provide the text of the ordinance:

28       “(a) To the Oregon Health Authority, in a form and manner prescribed  
29 by the authority, if the ordinance concerns a medical marijuana dispensary  
30 registered under ORS 475B.450 or a marijuana processing site registered un-

1 der ORS 475B.435; or

2 “(b) To the [*Oregon Liquor Control and Cannabis*] commission, in a form  
3 and manner prescribed by the commission, if the ordinance concerns a  
4 premises for which a license has been issued under ORS 475B.010 to 475B.395.

5  
6 (Amendments)

7 (Operative March 30, 2019)

8  
9 “**SECTION 164.** ORS 475B.063, as amended by section 11, chapter 24,  
10 Oregon Laws 2016, and section 72 of this 2017 Act, is amended to read:

11 “475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090,  
12 475B.100 or 475B.110, an applicant shall request a land use compatibility  
13 statement from the city or county that authorizes the land use. The land use  
14 compatibility statement must demonstrate that the requested license is for  
15 a land use that is allowable as a permitted or conditional use within the  
16 given zoning designation where the land is located. The Oregon Liquor  
17 Control and Cannabis Commission may not issue a license if the land use  
18 compatibility statement shows that the proposed land use is prohibited in the  
19 applicable zone.

20 “(2) Except as provided in subsection (3) of this section, a city or county  
21 that receives a request for a land use compatibility statement under this  
22 section must act on that request within 21 days of:

23 “(a) Receipt of the request, if the land use is allowable as an outright  
24 permitted use; or

25 “(b) Final local permit approval, if the land use is allowable as a condi-  
26 tional use.

27 “(3) A city or county that receives a request for a land use compatibility  
28 statement under this section is not required to act on that request during  
29 the period that the commission discontinues licensing those premises pursu-  
30 ant to ORS 475B.800 [(4)(b)] (4).



1       “(4) A city or county action concerning a land use compatibility state-  
2       ment under this section is not a land use decision for purposes of ORS  
3       chapter 195, 196, 197, 215 or 227.

4       “**SECTION 165.** ORS 475B.555, as amended by section 132 of this 2017  
5       Act, is amended to read:

6       “475B.555. (1) As is necessary to protect the public health and safety, and  
7       in consultation with the Oregon Liquor Control and Cannabis Commission  
8       and the State Department of Agriculture, the Oregon Health Authority shall  
9       adopt rules:

10       “(a) Establishing standards for testing marijuana items.

11       “(b) Identifying appropriate tests for marijuana items, depending on the  
12       type of marijuana item and the manner in which the marijuana item was  
13       produced or processed, that are necessary to protect the public health and  
14       safety, including, but not limited to, tests for:

15       “(A) Microbiological contaminants;

16       “(B) Pesticides;

17       “(C) Other contaminants;

18       “(D) Solvents or residual solvents; and

19       “(E) Tetrahydrocannabinol and cannabidiol concentration.

20       “(c) Establishing procedures for determining batch sizes and for sampling  
21       usable marijuana, cannabinoid products and cannabinoid concentrates or  
22       extracts.

23       “(d) Establishing different minimum standards for different varieties of  
24       usable marijuana and different types of cannabinoid products and  
25       cannabinoid concentrates and extracts.

26       “(2) In addition to the testing requirements established under subsection  
27       (1) of this section, [*the authority or*] the commission may require cannabinoid  
28       edibles to be tested in accordance with any applicable law of this state, or  
29       any applicable rule adopted under a law of this state, related to the pro-  
30       duction and processing of food products or commodities.

1       “[(3) In adopting rules under ORS 475B.400 to 475B.525, the authority may  
2 require:]

3       “[(a) A person responsible for a marijuana grow site under ORS 475B.420  
4 to test usable marijuana before transferring the usable marijuana to a regis-  
5 trant other than an individual who holds a registry identification card under  
6 ORS 475B.415; and]

7       “[(b) A person processing marijuana to test cannabinoid products or  
8 cannabinoid concentrates or extracts before transferring the cannabinoid pro-  
9 ducts or cannabinoid concentrates or extracts to a registrant other than an  
10 individual who holds a registry identification card under ORS 475B.415.]

11       “[(4)] **(3)** In adopting rules under ORS 475B.010 to 475B.395, the commis-  
12 sion may require:

13       “(a) A marijuana producer that holds a license under ORS 475B.070 or a  
14 marijuana wholesaler that holds a license under ORS 475B.100 to test usable  
15 marijuana before selling or transferring the usable marijuana; and

16       “(b) A marijuana processor that holds a license under ORS 475B.090 or a  
17 marijuana wholesaler that holds a license under ORS 475B.100 to test  
18 cannabinoid products or cannabinoid concentrates or extracts before selling  
19 or transferring the cannabinoid products or cannabinoid concentrates or ex-  
20 tracts.

21       “[(5)] **(4)** [*The authority and*] The commission may conduct random testing  
22 of marijuana items for the purpose of determining whether [*a person subject*  
23 *to testing under subsection (3) of this section or*] a licensee subject to testing  
24 under subsection [(4)] **(3)** of this section is in compliance with this section.

25       “[(6)] **(5)** In adopting rules to implement **subsection (3) of** this section,  
26 the [*authority and*] commission may not require a marijuana item to undergo  
27 the same test more than once unless the marijuana item is processed into a  
28 different type of marijuana item or the condition of the marijuana item has  
29 fundamentally changed.

30       “[(7)] **(6)** The testing of marijuana items as required by this section must

1 be conducted by a laboratory licensed by the commission under ORS 475B.560  
2 and accredited by the authority under ORS 475B.565.

3 “[(8)] (7) In adopting rules under subsection (1) of this section, the au-  
4 thority:

5 “(a) Shall consider the cost of a potential testing procedure and how that  
6 cost will affect the cost to the ultimate consumer of the marijuana item; and

7 “(b) May not adopt rules that are more restrictive than is reasonably  
8 necessary to protect the public health and safety.

9 **“SECTION 166.** ORS 475B.570 is amended to read:

10 “475B.570. [ORS 475B.550 to 475B.590 do not apply to:]

11 “[*(1) A person responsible for a marijuana grow site under ORS 475B.420*  
12 *if the person is transferring usable marijuana or an immature marijuana*  
13 *plant, as defined in ORS 475B.015, to:]*

14 “[*(a) A person who holds a registry identification card under ORS 475B.415*  
15 *and who designated the person responsible for the marijuana grow site to grow*  
16 *marijuana for the person who holds a registry identification card; or]*

17 “[*(b) A person who has been designated as the primary caregiver under*  
18 *ORS 475B.418 of a person who holds a registry identification card under ORS*  
19 *475B.415 and who designated the person responsible for the marijuana grow*  
20 *site to grow marijuana for the person who holds a registry identification card;*  
21 *or]*

22 “[**(2)] ORS 475B.550 to 475B.590 do not apply to** a person who [*has*  
23 *been] is the* designated [*as the]* primary caregiver under ORS 475B.418 of a  
24 person who holds a registry identification card under ORS 475B.415 if the  
25 person is transferring a marijuana item to the person who holds a registry  
26 identification card.

27 **“SECTION 167.** ORS 475B.605, as amended by sections 135 and 154 of this  
28 2017 Act, is amended to read:

29 “475B.605. (1) As is necessary to protect the public health and safety, and  
30 in consultation with the Oregon Health Authority and the State Department

1 of Agriculture, the Oregon Liquor Control and Cannabis Commission shall  
2 adopt rules establishing standards for the labeling of marijuana items, in-  
3 cluding but not limited to:

4 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-  
5 tracts, cannabinoid edibles and other cannabinoid products have labeling  
6 that communicates:

7 “(A) Health and safety warnings;

8 “(B) Activation time;

9 “(C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;

10 “(D) Potency;

11 “(E) For cannabinoid products and cannabinoid concentrates and extracts,  
12 serving size and the number of servings included in a cannabinoid product  
13 or cannabinoid concentrate or extract package; and

14 “(F) Content of the marijuana item; and

15 “(b) Labeling that is in accordance with applicable state food labeling  
16 requirements for the same type of food product or potable liquid when the  
17 food product or potable liquid does not contain marijuana or cannabinoids.

18 “[~~(2)~~ *(2)* In adopting rules under ORS 475B.400 to 475B.525, the authority shall  
19 *require all usable marijuana, cannabinoid products and cannabinoid concen-*  
20 *trates and extracts transferred by a medical marijuana dispensary registered*  
21 *under ORS 475B.450 to be labeled in accordance with subsection (1) of this*  
22 *section and rules adopted under subsection (1) of this section.]*

23 “[~~(3)~~ **(2)** In adopting rules under ORS 475B.010 to 475B.395, the commis-  
24 sion shall require all usable marijuana, cannabinoid products and  
25 cannabinoid concentrates and extracts sold or transferred by a marijuana  
26 retailer that holds a license **issued** under ORS 475B.110 to be labeled in ac-  
27 cordance with subsection (1) of this section and rules adopted under sub-  
28 section (1) of this section.

29 “[~~(4)~~ **(3)** In adopting rules under subsection (1) of this section, the com-  
30 mission:

1       “(a) May establish different labeling standards for different varieties of  
2 usable marijuana and for different types of cannabinoid products and  
3 cannabinoid concentrates and extracts;

4       “[(b) *May establish different minimum labeling standards for persons reg-*  
5 *istered under ORS 475B.400 to 475B.525 and persons licensed under ORS*  
6 *475B.010 to 475B.395;*]

7       “[(c)] (b) Shall consider the cost of a potential requirement and how that  
8 cost will affect the cost to the ultimate consumer of the marijuana item; and

9       “[(d)] (c) May not adopt rules that are more restrictive than is reasonably  
10 necessary to protect the public health and safety.

11       “**SECTION 168.** ORS 475B.610, as amended by section 136 of this 2017  
12 Act, is amended to read:

13       “475B.610. (1) As used in this section[:],

14       “[(a)] ‘licensee’ has the meaning given that term in ORS 475B.015.

15       “[(b) ‘*Registrant*’ means a person registered under ORS 475B.400 to  
16 *475B.525.*]

17       “(2) The Oregon Liquor Control and Cannabis Commission may by rule  
18 require a licensee[, *and the Oregon Health Authority may by rule require a*  
19 *registrant,*] to submit a label intended for use on a marijuana item for pre-  
20 approval by the commission before the licensee [*or registrant*] may sell or  
21 transfer a marijuana item bearing the label. The commission shall determine  
22 whether a label submitted under this section complies with ORS 475B.605 and  
23 any rule adopted under ORS 475B.605.

24       “(3) The commission may impose a fee for submitting a label for preap-  
25 proval under this section that is reasonably calculated to not exceed the cost  
26 of administering this section.

27       “**SECTION 169.** ORS 475B.615, as amended by section 137 of this 2017  
28 Act, is amended to read:

29       “475B.615. (1) As is necessary to protect the public health and safety, and  
30 in consultation with the Oregon Health Authority and the State Department

1 of Agriculture, the Oregon Liquor Control and Cannabis Commission shall  
2 adopt rules establishing standards for the packaging of marijuana items, in-  
3 cluding but not limited to:

4 “(a) Ensuring that usable marijuana, cannabinoid concentrates and ex-  
5 tracts, cannabinoid edibles and other cannabinoid products are:

6 “(A) Packaged in child-resistant safety packaging; and

7 “(B) Not marketed in a manner that:

8 “(i) Is untruthful or misleading;

9 “(ii) Is attractive to minors; or

10 “(iii) Otherwise creates a significant risk of harm to public health and  
11 safety; and

12 “(b) Ensuring that cannabinoid edibles and other cannabinoid products  
13 are not packaged in a manner that is attractive to minors.

14 “[~~(2)~~ *In adopting rules under ORS 475B.400 to 475B.525, the authority shall*  
15 *require all usable marijuana, cannabinoid products and cannabinoid concen-*  
16 *trates and extracts transferred by a medical marijuana dispensary registered*  
17 *under ORS 475B.450 to be packaged in accordance with subsection (1) of this*  
18 *section and rules adopted under subsection (1) of this section.]*

19 “[~~(3)~~ **(2)** In adopting rules under ORS 475B.010 to 475B.395, the commis-  
20 sion shall require all usable marijuana, cannabinoid products and  
21 cannabinoid concentrates and extracts sold or transferred by a marijuana  
22 retailer that holds a license **issued** under ORS 475B.110 to be packaged in  
23 accordance with subsection (1) of this section and rules adopted under sub-  
24 section (1) of this section.

25 “[~~(4)~~ **(3)** In adopting rules under subsection (1) of this section the com-  
26 mission:

27 “(a) May establish different packaging standards for different varieties  
28 of usable marijuana and for different types of cannabinoid products and  
29 cannabinoid concentrates and extracts;

30 “[~~(b)~~ *May establish different minimum packaging standards for persons*

1 registered under ORS 475B.400 to 475B.525 and persons licensed under ORS  
2 475B.010 to 475B.395;]

3 “[(c)] (b) May consider the effect on the environment of requiring certain  
4 packaging;

5 “[(d)] (c) Shall consider the cost of a potential requirement and how that  
6 cost will affect the cost to the ultimate consumer of the marijuana item; and

7 “[(e)] (d) May not adopt rules that are more restrictive than is reasonably  
8 necessary to protect the public health and safety.

9 “**SECTION 170.** ORS 475B.620, as amended by section 138 of this 2017  
10 Act, is amended to read:

11 “475B.620. (1) As used in this section[:],

12 “[(a)] ‘licensee’ has the meaning given that term in ORS 475B.015.

13 “[(b)] ‘Registrant’ means a person registered under ORS 475B.400 to  
14 475B.525.]

15 “(2) The Oregon Liquor Control and Cannabis Commission may by rule  
16 require a licensee[, and the Oregon Health Authority may by rule require a  
17 registrant,] to submit packaging intended for a marijuana item for preap-  
18 proval by the commission before the licensee [or registrant] may sell or  
19 transfer a marijuana item packaged in the packaging. The commission shall  
20 determine whether packaging submitted under this section complies with  
21 ORS 475B.615 and any rule adopted under ORS 475B.615.

22 “(3) The commission may impose a fee for submitting packaging for pre-  
23 approval under this section that is reasonably calculated to not exceed the  
24 cost of administering this section.

25 “**SECTION 171.** ORS 475B.625, as amended by section 15, chapter 83,  
26 Oregon Laws 2016, and sections 139 and 155 of this 2017 Act, is amended to  
27 read:

28 “475B.625. (1) The Oregon Liquor Control and Cannabis Commission shall  
29 adopt rules establishing:

30 “(a) The maximum concentration of tetrahydrocannabinol that is permit-

1 ted in a single serving of a cannabinoid product or cannabinoid concentrate  
2 or extract; and

3 “(b) The number of servings that are permitted in a cannabinoid product  
4 or cannabinoid concentrate or extract package.

5 “(2)(a) In adopting rules under subsection (1)(a) of this section, the com-  
6 mission shall prescribe the different levels of concentration of  
7 tetrahydrocannabinol that is permitted in a single serving of a cannabinoid  
8 product or cannabinoid concentrate or extract for:

9 “(A) Consumers who hold a valid registry identification card issued under  
10 ORS 475B.415; and

11 “(B) Consumers who do not hold a valid registry identification card issued  
12 under ORS 475B.415.

13 “(b) In prescribing the levels of concentration of tetrahydrocannabinol  
14 that is permitted in a single serving of a cannabinoid product or cannabinoid  
15 concentrate or extract for consumers who hold a valid registry identification  
16 card issued under ORS 475B.415, the commission shall consider the appro-  
17 priate level of concentration necessary to mitigate the symptoms or effects  
18 of a debilitating medical condition, as defined in ORS 475B.410.

19 “[3] *In adopting rules under ORS 475B.400 to 475B.525, the authority shall*  
20 *require all usable marijuana, cannabinoid products and cannabinoid concen-*  
21 *trates and extracts transferred by a medical marijuana dispensary registered*  
22 *under ORS 475B.450 to meet the concentration standards and packaging*  
23 *standards adopted by rule pursuant to this section.]*

24 “[4] **(3)** In adopting rules under ORS 475B.010 to 475B.395, the commis-  
25 sion shall require all usable marijuana, cannabinoid products and  
26 cannabinoid concentrates and extracts sold or transferred by a marijuana  
27 retailer that holds a license **issued** under ORS 475B.110 to meet the con-  
28 centration standards and packaging standards adopted by rule pursuant to  
29 this section.

30 **SECTION 172.** ORS 475B.630 is amended to read:



1       “475B.630. [ORS 475B.600 to 475B.655 do not apply to:]

2       “[(1) A person responsible for a marijuana grow site under ORS 475B.420  
3 if the person is transferring usable marijuana or an immature marijuana  
4 plant, as defined in ORS 475B.015, to:]

5       “[(a) A person who holds a registry identification card under ORS 475B.415  
6 and who designated the person responsible for the marijuana grow site to grow  
7 marijuana for the person who holds a registry identification card; or]

8       “[(b) A person who has been designated as the primary caregiver under  
9 ORS 475B.418 of a person who holds a registry identification card under ORS  
10 475B.415, and who designated the person responsible for the marijuana grow  
11 site to grow marijuana for the person who holds a registry identification card;  
12 or]

13       “[(2)] **ORS 475B.600 to 475B.655 do not apply to** a person who [has  
14 been] **is the** designated [as the] primary caregiver under ORS 475B.418 of a  
15 person who holds a registry identification card under ORS 475B.415 if the  
16 person is transferring a marijuana item to the person who holds a registry  
17 identification card.

18       “**SECTION 173.** ORS 475B.800, as amended by section 31, chapter 24,  
19 Oregon Laws 2016, and sections 145 and 162 of this 2017 Act, is amended to  
20 read:

21       “475B.800. (1) The governing body of a city or county may adopt ordi-  
22 nances to be referred to the electors of the city or county as described in  
23 subsection (2) of this section that prohibit or allow the establishment of any  
24 one or more of the following in the area subject to the jurisdiction of the  
25 city or in the unincorporated area subject to the jurisdiction of the county:

26       “[(a) *Marijuana processing sites registered under ORS 475B.435;*]

27       “[(b) *Medical marijuana dispensaries registered under ORS 475B.450;*]

28       “[(c)] **(a)** Marijuana producers that hold a license issued under ORS  
29 475B.070;

30       “[(d)] **(b)** Marijuana processors that hold a license issued under ORS

1 475B.090;

2 “[(e)] (c) Marijuana wholesalers that hold a license issued under ORS  
3 475B.100;

4 “[(f)] (d) Marijuana retailers that hold a license issued under ORS  
5 475B.110;

6 “[(g)] (e) Marijuana producers that hold a license issued under ORS  
7 475B.070 and that the Oregon Liquor Control and Cannabis Commission has  
8 designated an exclusively medical licensee under section 158 of this 2017 Act;

9 “[(h)] (f) Marijuana processors that hold a license issued under ORS  
10 475B.090 and that the commission has designated an exclusively medical  
11 licensee under section 159 of this 2017 Act;

12 “[(i)] (g) Marijuana wholesalers that hold a license issued under ORS  
13 475B.100 and that the commission has designated an exclusively medical  
14 licensee under section 160 of this 2017 Act;

15 “[(j)] (h) Marijuana retailers that hold a license issued under ORS  
16 475B.110 and that the commission has designated an exclusively medical  
17 licensee under section 161 of this 2017 Act; or

18 “[(k)] (i) Any combination of the entities described in this subsection.

19 “(2) If the governing body of a city or county adopts an ordinance under  
20 this section, the governing body shall submit the measure of the ordinance  
21 to the electors of the city or county for approval at the next statewide gen-  
22 eral election.

23 “(3) If the governing body of a city or county adopts an ordinance under  
24 this section, the governing body must provide the text of the ordinance[:] **to**  
25 **the commission, in a form and manner prescribed by the commission.**

26 “[(a) *To the Oregon Health Authority, in a form and manner prescribed by*  
27 *the authority, if the ordinance concerns a medical marijuana dispensary reg-*  
28 *istered under ORS 475B.450 or a marijuana processing site registered under*  
29 *ORS 475B.435; or]*

30 “[(b) *To the commission, if the ordinance concerns a premises for which a*

1 *license has been issued under ORS 475B.010 to 475B.395.]*

2 *“(4)(a) Upon receiving notice of a prohibition under subsection (3) of this*  
3 *section, the authority shall discontinue registering those entities to which the*  
4 *prohibition applies until the date of the next statewide general election.]*

5 *“(b) (4) Upon receiving notice of a prohibition under subsection (3) of*  
6 *this section, the commission shall discontinue licensing those premises to*  
7 *which the prohibition applies until the date of the next statewide general*  
8 *election.*

9 *“(5)(a) If an allowance is approved at the next statewide general election*  
10 *under subsection (2) of this section, and the allowance concerns an entity de-*  
11 *scribed in subsection (1)(a) or (b) of this section, the authority shall begin*  
12 *registering the entity to which the allowance applies on the first business day*  
13 *of the January immediately following the date of the statewide general*  
14 *election.]*

15 *“(b) (5) If an allowance is approved at the next statewide general*  
16 *election under subsection (2) of this section, [and the allowance concerns an*  
17 *entity described in subsection (1)(c) to (f) of this section,] the commission shall*  
18 *begin licensing the premises to which the allowance applies on the first*  
19 *business day of the January immediately following the date of the next*  
20 *statewide general election.*

21 *“(6) Notwithstanding any other provisions of law, a city or county that*  
22 *adopts an ordinance under this section that prohibits the establishment of*  
23 *an entity described in subsection (1) of this section may not impose a tax*  
24 *or fee on the production, processing or sale of marijuana or any product into*  
25 *which marijuana has been incorporated.*

26 *“(7) Notwithstanding subsection (1) of this section, a medical marijuana*  
27 *dispensary is not subject to an ordinance adopted under this section if the*  
28 *medical marijuana dispensary:]*

29 *“(a) Is registered under ORS 475B.450 on or before the date on which the*  
30 *governing body adopts the ordinance; and]*

1       “[(b) *Has successfully completed a city or county land use application pro-*  
2 *cess.*]

3       “[(8) *Notwithstanding subsection (1) of this section, a marijuana processing*  
4 *site is not subject to an ordinance adopted under this section if the marijuana*  
5 *processing site:*]

6       “[(a) *Is registered under ORS 475B.435 on or before the date on which the*  
7 *governing body adopts the ordinance; and*]

8       “[(b) *Has successfully completed a city or county land use application pro-*  
9 *cess.*]

10       “**SECTION 174.** Section 30, chapter 24, Oregon Laws 2016, as amended  
11 by sections 147 and 163 of this 2017 Act, is amended to read:

12       “**Sec. 30.** (1) The governing body of a city or county may repeal an ordi-  
13 nance that prohibits the establishment of any one or more of the following  
14 in the area subject to the jurisdiction of the city or in the unincorporated  
15 area subject to the jurisdiction of the county:

16       “[(a) *Marijuana processing sites registered under ORS 475B.435;*]

17       “[(b) *Medical marijuana dispensaries registered under ORS 475B.450;*]

18       “[(c)] **(a)** Marijuana producers that hold a license issued under ORS  
19 475B.070;

20       “[(d)] **(b)** Marijuana processors that hold a license issued under ORS  
21 475B.090;

22       “[(e)] **(c)** Marijuana wholesalers that hold a license issued under ORS  
23 475B.100;

24       “[(f)] **(d)** Marijuana retailers that hold a license issued under ORS  
25 475B.110; or

26       “[(g)] **(e)** Marijuana producers that hold a license issued under ORS  
27 475B.070 and that the Oregon Liquor Control and Cannabis Commission has  
28 designated an exclusively medical licensee under section 158 of this 2017 Act;

29       “[(h)] **(f)** Marijuana processors that hold a license issued under ORS  
30 475B.090 and that the commission has designated an exclusively medical

1 licensee under section 159 of this 2017 Act;

2 “[(i)] (g) Marijuana wholesalers that hold a license issued under ORS  
3 475B.100 and that the commission has designated an exclusively medical  
4 licensee under section 160 of this 2017 Act;

5 “[(j)] (h) Marijuana retailers that hold a license issued under ORS  
6 475B.110 and that the commission has designated an exclusively medical  
7 licensee under section 161 of this 2017 Act; or

8 “[(k)] (i) Any combination of the entities described in this subsection.

9 “(2) If the governing body of a city or county repeals an ordinance under  
10 this section, the governing body must provide the text of the ordinance[:] **to**  
11 **the commission, in a form and manner prescribed by the commission.**

12 “[(a) *To the Oregon Health Authority, in a form and manner prescribed by*  
13 *the authority, if the ordinance concerns a medical marijuana dispensary reg-*  
14 *istered under ORS 475B.450 or a marijuana processing site registered under*  
15 *ORS 475B.435; or]*

16 “[(b) *To the commission, in a form and manner prescribed by the commis-*  
17 *sion, if the ordinance concerns a premises for which a license has been issued*  
18 *under ORS 475B.010 to 475B.395.]*

19 “**SECTION 175.** Section 33, chapter 24, Oregon Laws 2016, is amended to  
20 read:

21 “**Sec. 33.** (1) As used in this section, ‘designated primary caregiver,’ ‘im-  
22 mature marijuana plant,’ ‘marijuana,’ ‘medical cannabinoid product’ and  
23 ‘registry identification cardholder’ have the meanings given those terms in  
24 ORS 475B.410.

25 “(2) A city or county may not adopt an ordinance, by referral or other-  
26 wise, that prohibits or otherwise limits:

27 “(a) The privileges described in ORS 475B.245; or

28 “(b) The right of a registry identification cardholder and the designated  
29 primary caregiver of a registry identification cardholder to:

30 “(A) Possess the seeds of marijuana, immature marijuana plants or med-

1 ical cannabinoid products as described in ORS 475B.400 to 475B.525; **or**

2 “(B) Jointly possess [*up to six*] mature marijuana plants **in the quantity**  
3 **specified in** [*under*] ORS 475B.428 [(1)]; or

4 “(C) Jointly possess [*up to 24 ounces of*] usable marijuana **in the quantity**  
5 **specified in** [*under*] ORS 475B.430 [(1)].

6 “**SECTION 176.** Section 2, chapter 97, Oregon Laws 2016, as amended by  
7 section 151 of this 2017 Act, is amended to read:

8 “**Sec. 2.** A financial institution that provides financial services custom-  
9 arily provided by financial institutions pursuant to powers granted by ORS  
10 717.200 to 717.320, 717.900 and 717.905, the Bank Act or by ORS chapter 723  
11 to [*a marijuana processing site registered under ORS 475B.435, a medical*  
12 *marijuana dispensary registered under ORS 475B.450,*] a marijuana producer  
13 that holds a license issued under ORS 475B.070, a marijuana processor that  
14 holds a license issued under ORS 475B.090, a marijuana wholesaler that  
15 holds a license issued under ORS 475B.100, a marijuana retailer that holds  
16 a license issued under ORS 475B.110, a laboratory that holds a license issued  
17 under ORS 475B.560 or a person to whom a permit has been issued under  
18 ORS 475B.218 is exempt from any criminal law of this state an element of  
19 which may be proven by substantiating that a person provides financial ser-  
20 vices customarily provided by financial institutions pursuant to powers  
21 granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS  
22 chapter 723 to a person that possesses, delivers or manufactures marijuana  
23 or marijuana-derived products.

24 “**SECTION 177.** Section 6, chapter 97, Oregon Laws 2016, is amended to  
25 read:

26 “**Sec. 6.** Information received by a financial institution under section 3[,  
27 4] or 5 [*of this 2016 Act*], **chapter 97, Oregon Laws 2016**, is confidential for  
28 purposes of ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act and  
29 ORS chapter 723. Except as otherwise required or permitted by the provisions  
30 of ORS 192.583 to 192.607, 717.200 to 717.320, 717.900 and 717.905, or the Bank

1 Act or ORS chapter 723, or by other state law or rule or federal law or  
2 regulation, a financial institution may not make the information available  
3 to any person other than:

4 “(1) The customer to whom the information applies; and

5 “(2) A trustee, conservator, guardian, personal representative or agent of  
6 the customer to whom the information applies.

7  
8 **“(Repeals)”**

9 **“(Operative March 30, 2019)”**

10  
11 **“SECTION 178. ORS 475B.580, 475B.640 and 475B.650 and section 4,**  
12 **chapter 97, Oregon Laws 2016, are repealed.**

13  
14 **“CONFORMING AMENDMENTS**

15 **EFFECTIVE 91ST DAY AFTER ADJOURNMENT SINE DIE**

16  
17 **“SECTION 179. ORS 25.750 is amended to read:**

18 “25.750. (1) All licenses, certificates, permits or registrations that a person  
19 is required by state law to possess in order to engage in an occupation or  
20 profession or to use a particular occupational or professional title, all annual  
21 licenses issued to individuals by the Oregon Liquor Control **and Cannabis**  
22 Commission, all driver licenses or permits issued by the Department of  
23 Transportation and recreational hunting and fishing licenses, as defined by  
24 rule of the Department of Justice, are subject to suspension by the respective  
25 issuing entities upon certification to the issuing entity by the administrator  
26 that a child support case record is being maintained by the Department of  
27 Justice, that the case is being enforced by the administrator under the pro-  
28 visions of ORS 25.080 and that one or both of the following conditions apply:

29 “(a) That the party holding the license, certificate, permit or registration  
30 is in arrears under any child support judgment or order, in an amount equal

1 Act or ORS chapter 723, or by other state law or rule or federal law or  
2 regulation, a financial institution may not make the information available  
3 to any person other than:

4 “(1) The customer to whom the information applies; and

5 “(2) A trustee, conservator, guardian, personal representative or agent of  
6 the customer to whom the information applies.

7

8

“(Repeals)

9

(Operative March 30, 2019)

10

11

“**SECTION 178. ORS 475B.580, 475B.640 and 475B.650 and section 4,**  
12 **chapter 97, Oregon Laws 2016, are repealed.**

13

14

“**CONFORMING AMENDMENTS**

15

**EFFECTIVE 91ST DAY AFTER ADJOURNMENT SINE DIE**

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17

“**SECTION 179.** ORS 25.750 is amended to read:

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“25.750. (1) All licenses, certificates, permits or registrations that a person  
is required by state law to possess in order to engage in an occupation or  
profession or to use a particular occupational or professional title, all annual  
licenses issued to individuals by the Oregon Liquor Control **and Cannabis**  
Commission, all driver licenses or permits issued by the Department of  
Transportation and recreational hunting and fishing licenses, as defined by  
rule of the Department of Justice, are subject to suspension by the respective  
issuing entities upon certification to the issuing entity by the administrator  
that a child support case record is being maintained by the Department of  
Justice, that the case is being enforced by the administrator under the pro-  
visions of ORS 25.080 and that one or both of the following conditions apply:

“(a) That the party holding the license, certificate, permit or registration  
is in arrears under any child support judgment or order, in an amount equal



1 to the greater of three months of support or \$2,500, and:

2 “(A) Has not entered into an agreement with the administrator with re-  
3 spect to the child support obligation; or

4 “(B) Is not in compliance with an agreement entered into with the ad-  
5 ministrator; or

6 “(b) That the party holding the license, certificate, permit or registration  
7 has failed, after receiving appropriate notice, to comply with a subpoena or  
8 other procedural order relating to a paternity or child support proceeding  
9 and:

10 “(A) Has not entered into an agreement with the administrator with re-  
11 spect to compliance; or

12 “(B) Is not in compliance with such an agreement.

13 “(2) The Department of Justice by rule shall specify the conditions and  
14 terms of agreements, compliance with which precludes the suspension of the  
15 license, certificate, permit or registration.

16 “**SECTION 180.** ORS 25.756 is amended to read:

17 “25.756. The Department of Justice shall enter into agreements regarding  
18 the identification of persons who are subject to the provisions of ORS 25.750  
19 to 25.783 and who hold licenses, certificates, permits or registrations with:

20 “(1) The Oregon Liquor Control **and Cannabis** Commission;

21 “(2) All entities that issue licenses, certificates, permits or registrations  
22 that a person is required by state law to possess to engage in an occupation,  
23 profession or recreational hunting or fishing or to use a particular occupa-  
24 tional or professional title; and

25 “(3) The Department of Transportation.

26 “**SECTION 181.** ORS 25.780 is amended to read:

27 “25.780. In addition to any other grounds for suspension provided by law:

28 “(1) The Oregon Liquor Control **and Cannabis** Commission and any en-  
29 tity that issues licenses, certificates, permits or registrations that a person  
30 is required by state law to possess to engage in an occupation, profession

1 or recreational hunting or fishing or to use a particular occupational or  
2 professional title shall suspend without further hearing the licenses, certifi-  
3 cates, permits or registrations of a person upon certification by the admin-  
4 istrator that the person is subject to an order suspending the license,  
5 certificate, permit or registration. The certification must include the infor-  
6 mation specified in ORS 25.750 (1).

7 “(2) The Department of Transportation shall suspend without further  
8 hearing the driver license or driver permit of a person upon certification by  
9 the administrator that the person is subject to an order suspending the li-  
10 cense or permit. The certification must include the information specified in  
11 ORS 25.750 (1).

12 **“SECTION 182.** ORS 165.117 is amended to read:

13 “165.117. (1) Before completing a transaction, a scrap metal business en-  
14 gaged in business in this state shall:

15 “(a) Create a metal property record for the transaction at the time and  
16 in the location where the transaction occurs. The record must:

17 “(A) Be accurate and written clearly and legibly in English;

18 “(B) Be entered onto a standardized printed form or an electronic form  
19 that is securely stored and is capable of ready retrieval and printing; and

20 “(C) Contain all of the following information:

21 “(i) The signature of the individual with whom the scrap metal business  
22 conducts the transaction.

23 “(ii) The time, date, location and monetary amount or other value of the  
24 transaction.

25 “(iii) The name of the employee who conducts the transaction on behalf  
26 of the scrap metal business.

27 “(iv) The name and telephone number of the individual with whom the  
28 scrap metal business conducts the transaction and a street address or, if a  
29 post office box is listed on the government-issued photo identification de-  
30 scribed in sub-subparagraph (vi) of this subparagraph, a post office box, to

1 which the scrap metal business will mail payment to the individual.

2 “(v) A description of, and the license number and issuing state shown on  
3 the license plate affixed to, the motor vehicle, if any, used to transport the  
4 individual who conducts, or the nonferrous metal property or private metal  
5 property that is the subject of, the transaction.

6 “(vi) A photocopy of a current, valid driver license or other government-  
7 issued photo identification belonging to the individual with whom the scrap  
8 metal business conducts the transaction.

9 “(vii) A photograph of, or video surveillance recording depicting, a re-  
10 cognizable facial image of the individual with whom the scrap metal business  
11 conducts the transaction.

12 “(viii) A general description of the nonferrous metal property or private  
13 metal property that constitutes the predominant part of the transaction. The  
14 description must include any identifiable marks on the property, if readily  
15 discernible, and must specify the weight, quantity or volume of the  
16 nonferrous metal property or private metal property.

17 “(b) Require the individual with whom the scrap metal business conducts  
18 a transaction to sign and date a declaration printed in conspicuous type, ei-  
19 ther on the record described in this subsection or on a receipt issued to the  
20 individual with whom the scrap metal business conducts the transaction,  
21 that states:

22 “ \_\_\_\_\_  
23 I, \_\_\_\_\_, AFFIRM UNDER PENALTY OF LAW THAT THE  
24 PROPERTY I AM SELLING IN THIS TRANSACTION IS NOT, TO THE  
25 BEST OF MY KNOWLEDGE, STOLEN PROPERTY.

26 “ \_\_\_\_\_  
27 “(c) Require the employee of the scrap metal business who conducts the  
28 transaction on behalf of the scrap metal business to witness the individual  
29 sign the declaration, and also to sign and date the declaration in a space  
30 provided for that purpose.

1       “(d) For one year following the date of the transaction, keep a copy of the  
2 record and the signed and dated declaration described in this subsection. If  
3 the scrap metal business uses a video surveillance recording as part of the  
4 record kept in accordance with this subsection, the scrap metal business need  
5 not keep the video surveillance recording for one year, but shall retain the  
6 video surveillance recording for a minimum of 30 days following the date of  
7 the transaction. The scrap metal business shall at all times keep the copies  
8 at the current place of business for the scrap metal business.

9       “(2) A scrap metal business engaged in business in this state may not do  
10 any of the following:

11       “(a) Purchase or receive kegs or similar metallic containers used to store  
12 or dispense alcoholic beverages, except from a person that manufactures the  
13 kegs or containers or from a person licensed by the Oregon Liquor Control  
14 **and Cannabis** Commission under ORS 471.155.

15       “(b) Conduct a transaction with an individual if the individual does not  
16 at the time of the transaction consent to the creation of the record described  
17 in subsection (1) of this section and produce for inspection a valid driver li-  
18 cense or other government-issued photo identification that belongs to the  
19 individual.

20       “(c) Conduct a transaction with an individual in which the scrap metal  
21 business pays the individual other than by electronic funds transfer, stored  
22 value card or stored value device, or by mailing a nontransferable check,  
23 made payable to the individual, for the amount of the transaction to the  
24 street address or post office box the individual provided under subsection  
25 (1)(a)(C)(iv) of this section. Payment must be made not earlier than three  
26 business days after the date of the transaction. The check, electronic funds  
27 transfer or stored value device must be drawn on or must draw from an ac-  
28 count that the scrap metal business maintains with a financial institution,  
29 as defined in ORS 706.008. A stored value card may be issued by a money  
30 transmission business licensed under ORS 717.200 to 717.320 or exempt from

1 the licensing requirement under ORS 717.210.

2 “(d) Purchase metal property from a nonprofit corporation other than by  
3 electronic funds transfer, stored value card or stored value device, or by  
4 mailing a nontransferable check, made payable to the nonprofit corporation,  
5 for the amount of the purchase price to the business address provided under  
6 subsection (4)(a)(B) of this section. Payment must be made not earlier than  
7 three business days after the date of the purchase. The check, electronic  
8 funds transfer or stored value device must be drawn on or must draw from  
9 an account that the scrap metal business maintains with a financial insti-  
10 tution, as defined in ORS 706.008. A stored value card may be issued by a  
11 money transmission business licensed under ORS 717.200 to 717.320 or exempt  
12 from the licensing requirement under ORS 717.210.

13 “(e) Cash or release a check issued in payment for a transaction or for  
14 a purchase described in paragraph (d) of this subsection other than as pro-  
15 vided in this paragraph or paragraph (c) or (d) of this subsection. If a check  
16 is not delivered to the intended recipient within 10 days of the date of the  
17 transaction or the purchase, the scrap metal business may release the check  
18 directly to the individual or nonprofit corporation with the written approval  
19 of a law enforcement agency having jurisdiction over the scrap metal busi-  
20 ness. If a check is returned as undelivered or undeliverable, the scrap metal  
21 business shall:

22 “(A) Release the check directly to the individual or nonprofit corporation  
23 with the written approval of a law enforcement agency having jurisdiction  
24 over the scrap metal business; or

25 “(B) Retain the check until the individual or nonprofit corporation to  
26 which the check was mailed provides a valid address in accordance with  
27 subsection (1)(a)(C)(iv) or (4)(a)(B) of this section. If after 30 days following  
28 the date of the transaction or the purchase described in paragraph (d) of this  
29 subsection the individual or nonprofit corporation fails to provide a valid  
30 address, the scrap metal business may cancel the check and the individual

1 or nonprofit corporation shall forfeit to the scrap metal business the amount  
2 due as payment.

3 “(3) If a scrap metal business obtains the approval of a law enforcement  
4 agency under subsection (2)(e) of this section, the scrap metal business shall  
5 retain the written approval for one year following the date the approval is  
6 received.

7 “(4) Before purchasing or receiving metal property from a commercial  
8 seller, a scrap metal business shall:

9 “(a) Create and maintain a commercial account with the commercial  
10 seller. As part of the commercial account, the scrap metal business shall  
11 enter accurately, clearly and legibly in English onto a standardized printed  
12 form, or an electronic form that is securely stored and is capable of ready  
13 retrieval and printing, the following information:

14 “(A) The full name of the commercial seller;

15 “(B) The business address and telephone number of the commercial seller;  
16 and

17 “(C) The full name of each employee, agent or other individual the com-  
18 mercial seller authorizes to receive payment for metal property from the  
19 scrap metal business.

20 “(b) Record as part of the commercial account at the time the scrap metal  
21 business purchases or receives metal property from a commercial seller the  
22 following information:

23 “(A) The time, date and location at which the commercial seller delivered  
24 the metal property for purchase or receipt;

25 “(B) The monetary amount or other value of the metal property;

26 “(C) A description of the type of metal property that constitutes the pre-  
27 dominant part of the purchase or receipt; and

28 “(D) The signature of the individual who delivered the metal property to  
29 the scrap metal business.

30 “(5) A scrap metal business may require an individual from whom the

1 business obtains metal property to provide the individual's thumbprint to the  
2 scrap metal business.

3 "(6) A scrap metal business shall make all records and accounts required  
4 to be maintained under this section available to any peace officer on demand.

5 "(7)(a) Violation of this section is a specific fine violation, and the  
6 presumptive fine for the violation is \$1,000.

7 "(b) Notwithstanding paragraph (a) of this subsection, the presumptive  
8 fine for a violation of a provision of this section is \$5,000 if the scrap metal  
9 business has at least three previous convictions for violations of a provision  
10 of this section.

11 "**SECTION 183.** ORS 165.805 is amended to read:

12 "165.805. (1) A person commits the crime of misrepresentation of age by  
13 a minor if:

14 "(a) Being less than a certain, specified age, the person knowingly pur-  
15 ports to be of any age other than the true age of the person with the intent  
16 of securing a right, benefit or privilege which by law is denied to persons  
17 under that certain, specified age; or

18 "(b) Being unmarried, the person knowingly represents that the person is  
19 married with the intent of securing a right, benefit or privilege which by law  
20 is denied to unmarried persons.

21 "(2) Misrepresentation of age by a minor is a Class C misdemeanor.

22 "(3) In addition to and not in lieu of any other penalty established by law,  
23 a person who, using a driver permit or license or other identification issued  
24 by the Department of Transportation of this state or its equivalent in an-  
25 other state, commits the crime of misrepresentation of age by a minor in  
26 order to purchase or consume alcoholic liquor may be required to perform  
27 community service and the court shall order that the person's driving privi-  
28 leges and right to apply for driving privileges be suspended for a period not  
29 to exceed one year. If a court has issued an order suspending driving privi-  
30 leges under this section, the court, upon petition of the person, may with-

1 draw the order at any time the court deems appropriate. The court  
2 notification to the department under this subsection may include a recom-  
3 mendation that the person be granted a hardship permit under ORS 807.240  
4 if the person is otherwise eligible for the permit.

5 “(4) The prohibitions of this section do not apply to any person acting  
6 under the direction of the Oregon Liquor Control **and Cannabis** Commission  
7 or a regulatory specialist or under the direction of state or local law  
8 enforcement agencies for the purpose of investigating possible violations of  
9 laws prohibiting sales of alcoholic beverages to persons who are under a  
10 certain, specified age.

11 “(5) The prohibitions of this section do not apply to a person under the  
12 age of 21 years who is acting under the direction of a licensee for the pur-  
13 pose of investigating possible violations by employees of the licensee of laws  
14 prohibiting sales of alcoholic beverages to persons who are under the age  
15 of 21 years.

16 “**SECTION 184.** ORS 167.402 is amended to read:

17 “167.402. (1) As used in this section, ‘vending machine’ means a mechan-  
18 ical, electronic or similar device that, upon the insertion of tokens, money  
19 or another form of payment, dispenses tobacco products or inhalant delivery  
20 systems.

21 “(2) A person may not sell or dispense tobacco products or inhalant de-  
22 livery systems from a vending machine, except in an establishment where the  
23 premises are permanently and entirely off-limits to minors under rules  
24 adopted by the Oregon Liquor Control **and Cannabis** Commission.

25 “(3) A person who violates this section commits a Class B violation. Each  
26 day that the person commits the violation constitutes a separate offense.

27 “**SECTION 185.** ORS 181A.010 is amended to read:

28 “181A.010. As used in ORS 181A.010 to 181A.350, unless the context re-  
29 quires otherwise:

30 “(1) ‘Criminal justice agency’ means:



- 1       “(a) The Governor;
- 2       “(b) Courts of criminal jurisdiction;
- 3       “(c) The Attorney General;
- 4       “(d) District attorneys, city attorneys with criminal prosecutorial func-
- 5 tions, attorney employees of the office of public defense services and
- 6 nonprofit public defender organizations established under contract with the
- 7 Public Defense Services Commission;
- 8       “(e) Law enforcement agencies;
- 9       “(f) The Department of Corrections;
- 10       “(g) The Oregon Youth Authority;
- 11       “(h) The State Board of Parole and Post-Prison Supervision;
- 12       “(i) The Department of Public Safety Standards and Training;
- 13       “(j) The enforcement division of the Oregon Liquor Control **and**
- 14 **Cannabis** Commission in performing duties related to investigating and en-
- 15 forcing the criminal laws of this state that the commission is charged to
- 16 enforce;
- 17       “(k) Regional information systems that share programs to track, identify
- 18 and remove cross-jurisdictional criminal and terrorist conspiracies; and
- 19       “(L) Any other state or local agency with law enforcement authority.
- 20       “(2) ‘Criminal offender information’ includes records and related data as
- 21 to physical description and vital statistics, fingerprints received and com-
- 22 piled for purposes of identifying criminal offenders and alleged offenders,
- 23 records of arrests and the nature and disposition of criminal charges, in-
- 24 cluding sentencing, confinement, parole and release.
- 25       “(3) ‘Department’ means the Department of State Police established under
- 26 ORS 181A.015.
- 27       “(4) ‘Deputy superintendent’ means the Deputy Superintendent of State
- 28 Police appointed under ORS 181A.035.
- 29       “(5) ‘Designated agency’ means any state, county or municipal government
- 30 agency where Oregon criminal offender information is required to implement

1 a federal or state statute, executive order or administrative rule that ex-  
2 pressly refers to criminal conduct and contains requirements or exclusions  
3 expressly based on such conduct or for agency employment purposes, licens-  
4 ing purposes or other demonstrated and legitimate needs when designated  
5 by order of the Governor.

6 “(6) ‘Disposition report’ means a form or process prescribed or furnished  
7 by the department, containing a description of the ultimate action taken  
8 subsequent to an arrest.

9 “(7) ‘Law enforcement agency’ means:

10 “(a) County sheriffs, municipal police departments, police departments  
11 established by a university under ORS 352.121 or 353.125 and state police;

12 “(b) Other police officers of this state or another state, including humane  
13 special agents as defined in ORS 181A.345;

14 “(c) A tribal government as defined in ORS 181A.680 that employs au-  
15 thorized tribal police officers as defined in ORS 181A.680; and

16 “(d) Law enforcement agencies of the federal government.

17 “(8) ‘State police’ means the sworn members of the state police force ap-  
18 pointed under ORS 181A.050.

19 “(9) ‘Superintendent’ means the Superintendent of State Police appointed  
20 under ORS 181A.030.

21 “**SECTION 186.** ORS 181A.265, as amended by section 40, chapter 117,  
22 Oregon Laws 2016, is amended to read:

23 “181A.265. (1) The Department of State Police or another criminal justice  
24 agency that the State Chief Information Officer designates shall operate a  
25 Criminal Justice Information Standards program that coordinates informa-  
26 tion among state criminal justice agencies. The program must:

27 “(a) Ensure that in developing new information systems, data can be re-  
28 trieved to support evaluating criminal justice planning and programs, in-  
29 cluding, but not limited to, evaluating the ability of the programs to reduce  
30 future criminal conduct;

1       “(b) Ensure that maximum effort is made for the safety of public safety  
2 officers;

3       “(c) Establish methods and standards for data interchange and informa-  
4 tion access between criminal justice information systems, in compliance with  
5 information technology rules, policies and standards that the State Chief  
6 Information Officer adopts;

7       “(d) Design and implement improved applications for exchange of agency  
8 information; and

9       “(e) Implement the capability to exchange images between criminal justice  
10 agencies.

11       “(2) The program shall develop a plan to accelerate data sharing and in-  
12 formation integration among criminal justice agencies. The plan must in-  
13 clude, but is not limited to including, priorities, timelines, development costs,  
14 resources needed, the projected ongoing cost of support, critical success fac-  
15 tors and any known barriers to accomplishing the plan. The plan must align  
16 with and support the Enterprise Information Resources Management Strat-  
17 egy described in ORS 291.039. Representatives of criminal justice agencies  
18 and public safety agencies, including but not limited to local law enforce-  
19 ment agencies, courts of criminal jurisdiction, district attorneys, city attor-  
20 neys with criminal prosecutive functions, public defender organizations  
21 established under ORS chapter 151, community corrections directors, jail  
22 managers and county juvenile departments, shall be invited to participate in  
23 the planning process. The program shall present the plan to the State Chief  
24 Information Officer no later than May 30 of each even-numbered year for  
25 development of the Governor’s budget. The program shall submit the plan to  
26 the Joint Legislative Committee on Information Management and Technol-  
27 ogy no later than December 31 of each even-numbered year.

28       “(3) Notwithstanding the meaning given ‘criminal justice agency’ in ORS  
29 181A.010, as used in this section and ORS 181A.270, ‘criminal justice  
30 agency’ includes, but is not limited to:

- 1       “(a) The Judicial Department;
- 2       “(b) The Attorney General;
- 3       “(c) The Department of Corrections;
- 4       “(d) The Department of State Police;
- 5       “(e) Any other state agency with law enforcement authority designated
- 6 by order of the Governor;
- 7       “(f) The Department of Transportation;
- 8       “(g) The State Board of Parole and Post-Prison Supervision;
- 9       “(h) The Department of Public Safety Standards and Training;
- 10       “(i) The State Department of Fish and Wildlife;
- 11       “(j) The Oregon Liquor Control **and Cannabis** Commission;
- 12       “(k) The Oregon Youth Authority;
- 13       “(L) The Youth Development Division; and
- 14       “(m) A university that has established a police department under ORS
- 15 352.121 or 353.125.

16       “**SECTION 187.** ORS 181A.275 is amended to read:

17       “181A.275. (1) There is established a Criminal Justice Information Stan-

18 dards Advisory Board to advise the Department of State Police or the crim-

19 inal justice agency that the State Chief Information Officer designates under

20 ORS 181A.265 (1) about the department’s or the agency’s duties under ORS

21 181A.265. The board consists of the following members:

22       “(a) The State Court Administrator or the administrator’s designee;

23       “(b) The Director of the Department of Corrections or the director’s

24 designee;

25       “(c) The Superintendent of State Police or the superintendent’s designee;

26       “(d) The executive director of the Oregon Criminal Justice Commission

27 or the executive director’s designee;

28       “(e) The Director of Transportation or the director’s designee;

29       “(f) The chairperson of the State Board of Parole and Post-Prison Super-

30 vision or the chairperson’s designee;

1 “(g) The Director of the Department of Public Safety Standards and  
2 Training or the director’s designee;

3 “(h) A chief of police designated by the Oregon Association Chiefs of  
4 Police;

5 “(i) A sheriff designated by the Oregon State Sheriffs’ Association;

6 “(j) A jail manager designated by the Oregon Sheriff’s Jail Command  
7 Council;

8 “(k) A county juvenile department director designated by the Oregon Ju-  
9 venile Department Directors’ Association;

10 “(L) A community corrections agency director designated by the Oregon  
11 Association of Community Corrections Directors;

12 “(m) A district attorney designated by the Oregon District Attorneys As-  
13 sociation;

14 “(n) The State Chief Information Officer or the State Chief Information  
15 Officer’s designee;

16 “(o) The Director of the Oregon Youth Authority or the director’s  
17 designee;

18 “(p) The State Fish and Wildlife Director or the director’s designee;

19 “(q) The administrator of the Oregon Liquor Control **and Cannabis**  
20 Commission or the administrator’s designee; and

21 “(r) The Youth Development Director or the director’s designee.

22 “(2) The board shall meet at such times and places as the board deems  
23 necessary.

24 “(3) The members of the board are not entitled to compensation but are  
25 entitled to expenses as provided in ORS 292.495.

26 “**SECTION 188.** ORS 181A.355 is amended to read:

27 “181A.355. As used in ORS 181A.355 to 181A.670, unless the context re-  
28 quires otherwise:

29 “(1) ‘Abuse’ has the meaning given that term in ORS 107.705.

30 “(2) ‘Board’ means the Board on Public Safety Standards and Training

1 appointed pursuant to ORS 181A.360.

2 “(3) ‘Certified reserve officer’ means a reserve officer who has been des-  
3 ignated by a local law enforcement unit, has received training necessary for  
4 certification and has met the minimum standards and training requirements  
5 established under ORS 181A.410.

6 “(4) ‘Commissioned’ means being authorized to perform various acts or  
7 duties of a police officer, certified reserve officer or reserve officer and act-  
8 ing under the supervision and responsibility of a county sheriff or as other-  
9 wise provided by law.

10 “(5) ‘Corrections officer’ means an officer or member employed full-time  
11 by a law enforcement unit who:

12 “(a) Is charged with and primarily performs the duty of custody, control  
13 or supervision of individuals convicted of or arrested for a criminal offense  
14 and confined in a place of incarceration or detention other than a place used  
15 exclusively for incarceration or detention of juveniles; or

16 “(b) Has been certified as a corrections officer described in paragraph (a)  
17 of this subsection and has supervisory or management authority for cor-  
18 rections officers described in paragraph (a) of this subsection.

19 “(6) ‘Department’ means the Department of Public Safety Standards and  
20 Training.

21 “(7) ‘Director’ means the Director of the Department of Public Safety  
22 Standards and Training.

23 “(8) ‘Domestic violence’ means abuse between family or household mem-  
24 bers.

25 “(9) ‘Emergency medical dispatcher’ means a person who has responsibil-  
26 ity to process requests for medical assistance from the public or to dispatch  
27 medical care providers.

28 “(10) ‘Family or household members’ has the meaning given that term in  
29 ORS 107.705.

30 “(11) ‘Fire service professional’ means a paid or volunteer firefighter, an

1 officer or a member of a public or private fire protection agency that is en-  
2 gaged primarily in fire investigation, fire prevention, fire safety, fire control  
3 or fire suppression or providing emergency medical services, light and heavy  
4 rescue services, search and rescue services or hazardous materials incident  
5 response. 'Fire service professional' does not mean forest fire protection  
6 agency personnel.

7 "(12) 'Law enforcement unit' means:

8 "(a) A police force or organization of the state, a city, university that has  
9 established a police department under ORS 352.121 or 353.125, port, school  
10 district, mass transit district, county, county service district authorized to  
11 provide law enforcement services under ORS 451.010, tribal government as  
12 defined in ORS 181A.680 that employs authorized tribal police officers as  
13 defined in ORS 181A.680, the Criminal Justice Division of the Department  
14 of Justice, the Department of Corrections, the Oregon State Lottery Com-  
15 mission, the Security and Emergency Preparedness Office of the Judicial  
16 Department or common carrier railroad the primary duty of which, as pre-  
17 scribed by law, ordinance or directive, is one or more of the following:

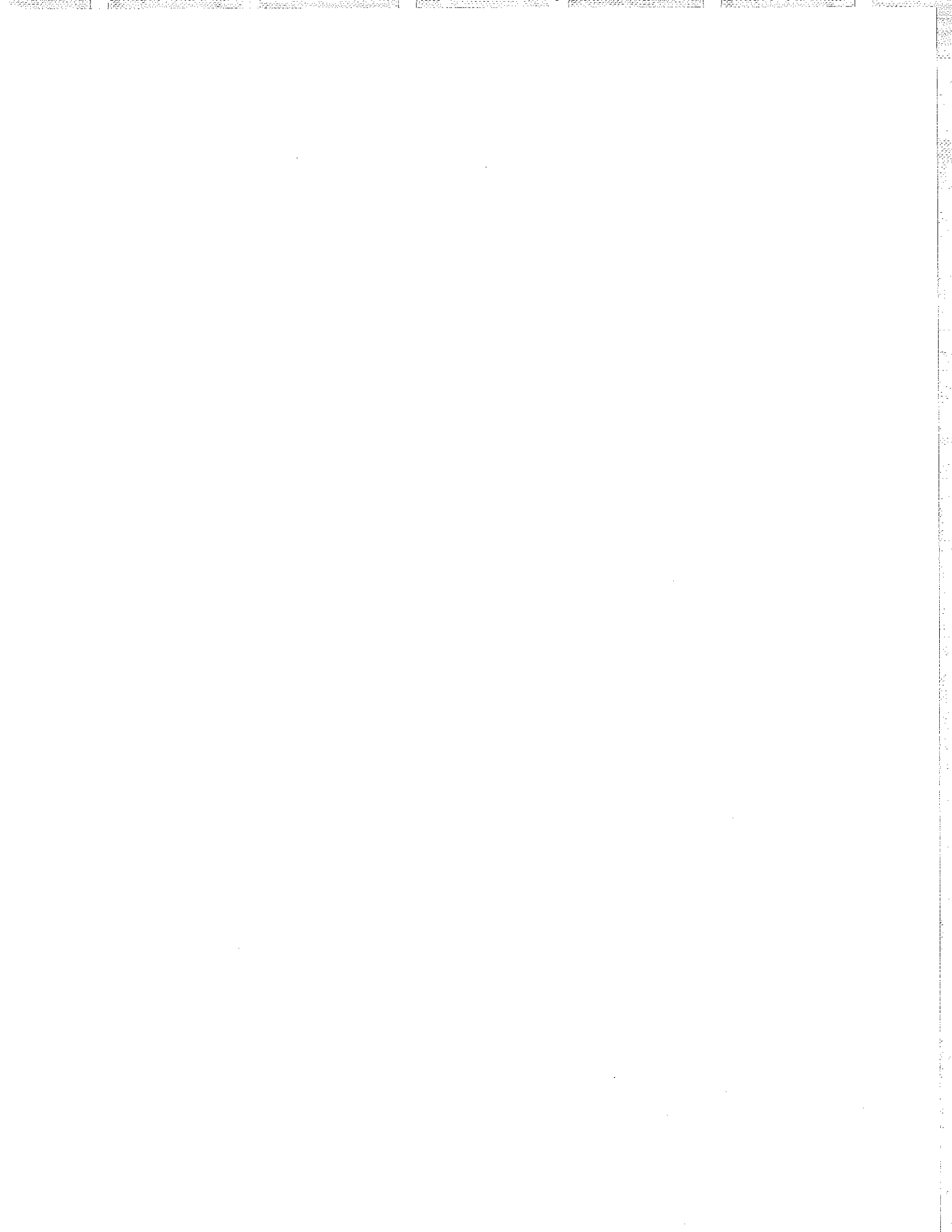
18 "(A) Detecting crime and enforcing the criminal laws of this state or laws  
19 or ordinances relating to airport security;

20 "(B) The custody, control or supervision of individuals convicted of or  
21 arrested for a criminal offense and confined to a place of incarceration or  
22 detention other than a place used exclusively for incarceration or detention  
23 of juveniles; or

24 "(C) The control, supervision and reformation of adult offenders placed  
25 on parole or sentenced to probation and investigation of adult offenders on  
26 parole or probation or being considered for parole or probation;

27 "(b) A police force or organization of a private entity with a population  
28 of more than 1,000 residents in an unincorporated area the employees of  
29 which are commissioned by a county sheriff;

30 "(c) A district attorney's office;





1       “(d) The Oregon Liquor Control **and Cannabis** Commission with regard  
2 to regulatory specialists; or

3       “(e) A humane investigation agency as defined in ORS 181A.340.

4       “(13) ‘Parole and probation officer’ means:

5       “(a) An officer who is employed full-time by the Department of Cor-  
6 rections, a county or a court and who is charged with and performs the duty  
7 of:

8       “(A) Community protection by controlling, investigating, supervising and  
9 providing or making referrals to reformatory services for adult parolees or  
10 probationers or offenders on post-prison supervision; or

11       “(B) Investigating adult offenders on parole or probation or being con-  
12 sidered for parole or probation; or

13       “(b) An officer who:

14       “(A) Is certified and has been employed as a full-time parole and pro-  
15 bation officer for more than one year;

16       “(B) Is employed part-time by the Department of Corrections, a county  
17 or a court; and

18       “(C) Is charged with and performs the duty of:

19       “(i) Community protection by controlling, investigating, supervising and  
20 providing or making referrals to reformatory services for adult parolees or  
21 probationers or offenders on post-prison supervision; or

22       “(ii) Investigating adult offenders on parole or probation or being con-  
23 sidered for parole or probation.

24       “(14) ‘Police officer’ means:

25       “(a) An officer, member or employee of a law enforcement unit employed  
26 full-time as a peace officer who is:

27       “(A) Commissioned by a city, port, school district, mass transit district,  
28 county, county service district authorized to provide law enforcement ser-  
29 vices under ORS 451.010, tribal government as defined in ORS 181A.680, the  
30 Criminal Justice Division of the Department of Justice, the Oregon State

1 Lottery Commission, a university that has established a police department  
2 under ORS 352.121 or 353.125, the Governor or the Department of State Po-  
3 lice; and

4 “(B) Responsible for enforcing the criminal laws of this state or laws or  
5 ordinances relating to airport security;

6 “(b) An investigator of a district attorney’s office if the investigator is  
7 or has been certified as a peace officer in this or another state;

8 “(c) A humane special agent commissioned under ORS 181A.340;

9 “(d) A judicial marshal appointed under ORS 1.177 who is trained pursu-  
10 ant to ORS 181A.540; or

11 “(e) An authorized tribal police officer as defined in ORS 181A.680.

12 “(15) ‘Public or private safety agency’ means a unit of state or local  
13 government, a special purpose district or a private firm that provides, or has  
14 authority to provide, fire fighting, police, ambulance or emergency medical  
15 services.

16 “(16) ‘Public safety personnel’ and ‘public safety officer’ include cor-  
17 rections officers, youth correction officers, emergency medical dispatchers,  
18 parole and probation officers, police officers, certified reserve officers, re-  
19 serve officers, telecommunicators, regulatory specialists and fire service  
20 professionals.

21 “(17) ‘Regulatory specialist’ has the meaning given that term in ORS  
22 471.001.

23 “(18) ‘Reserve officer’ means an officer or member of a law enforcement  
24 unit who is:

25 “(a) A volunteer or employed less than full-time as a peace officer com-  
26 missioned by a city, port, school district, mass transit district, county,  
27 county service district authorized to provide law enforcement services under  
28 ORS 451.010, tribal government as defined in ORS 181A.680, the Criminal  
29 Justice Division of the Department of Justice, the Oregon State Lottery  
30 Commission, a university that has established a police department under

1 ORS 352.121 or 353.125, the Governor or the Department of State Police;

2 “(b) Armed with a firearm; and

3 “(c) Responsible for enforcing the criminal laws and traffic laws of this  
4 state or laws or ordinances relating to airport security.

5 “(19) ‘Telecommunicator’ means a person employed as an emergency  
6 communications worker as defined in ORS 243.736 or a public safety dis-  
7 patcher whose primary duties are receiving, processing and transmitting  
8 public safety information received through the emergency communications  
9 system as defined in ORS 403.105.

10 “(20) ‘Youth correction officer’ means an employee of the Oregon Youth  
11 Authority who is charged with and primarily performs the duty of custody,  
12 control or supervision of youth offenders confined in a youth correction fa-  
13 cility.

14 **“SECTION 189.** ORS 181A.550 is amended to read:

15 “181A.550. (1) Except for a person who has requested and obtained an  
16 extension from the Department of Public Safety Standards and Training un-  
17 der subsection (2) of this section, subject to subsection (3) of this section the  
18 Oregon Liquor Control **and Cannabis** Commission may not employ a person  
19 as a regulatory specialist for more than 18 months unless the person is a  
20 citizen of the United States who has been certified under ORS 181A.410 as  
21 being qualified as a regulatory specialist and the certification has not:

22 “(a) Lapsed; or

23 “(b) Been revoked under ORS 181A.630, 181A.640 and 181A.650 (1) and not  
24 reissued under ORS 181A.630 (2).

25 “(2) The department, upon the facts contained in an affidavit accompa-  
26 nying the request for extension, may find good cause for failure to obtain  
27 certification within the time period described in subsection (1) of this sec-  
28 tion. If the department finds that there is good cause for the failure, the  
29 department may extend for up to one year the period that a person may serve  
30 as a regulatory specialist without certification. The grant or denial of an

1 extension is within the sole discretion of the department.

2 “(3) The citizenship requirement in subsection (1) of this section does not  
3 apply to a person employed as a regulatory specialist on March 16, 2012, who  
4 continues to serve as a regulatory specialist without a lapse under sub-  
5 section (4) of this section.

6 “(4) The certification of a regulatory specialist shall lapse after three or  
7 more consecutive months of not being employed as a regulatory specialist  
8 unless the regulatory specialist is on leave from the commission. Upon re-  
9 employment as a regulatory specialist, the person whose certification has  
10 lapsed may apply to be certified under ORS 181A.355 to 181A.670.

11 “(5) The commission shall pay the costs of training required for a regu-  
12 latory specialist to be certified by the department.

13 **“SECTION 190.** ORS 181A.840 is amended to read:

14 “181A.840. As used in ORS 181A.360, 181A.840 to 181A.891, 181A.895 and  
15 181A.995:

16 “(1) ‘Certification’ means recognition by the Department of Public Safety  
17 Standards and Training that a private security professional meets all of the  
18 qualifications listed in ORS 181A.855.

19 “(2) ‘Executive manager’ means a person:

20 “(a) Who is authorized to act on behalf of a company or business in  
21 matters of licensure and certification;

22 “(b) Who is authorized to hire and terminate personnel;

23 “(c) Whose primary responsibility is the management of certified private  
24 security professionals; and

25 “(d) Who has final responsibility for a company’s or business’s compliance  
26 with ORS 181A.840 to 181A.891.

27 “(3) ‘Instructor’ means any person who has been certified by the depart-  
28 ment as meeting the requirements to provide instruction to private security  
29 providers or applicants.

30 “(4) ‘License’ means recognition by the department that an executive

1 manager or supervisory manager meets the requirements adopted by the  
2 Board on Public Safety Standards and Training as necessary to provide pri-  
3 vate security services.

4 “(5) ‘Primary responsibility’ means an activity that is fundamental to, and  
5 required or expected in, the regular course of employment and is not merely  
6 incidental to employment.

7 “(6) ‘Private security professional’ means an individual who performs, as  
8 the individual’s primary responsibility, private security services for consid-  
9 eration, regardless of whether the individual, while performing the private  
10 security services, is armed or unarmed or wears a uniform or plain clothes,  
11 and regardless of whether the individual is employed part-time or full-time  
12 to perform private security services.

13 “(7) ‘Private security provider’ means any individual who performs the  
14 functions of a private security professional, executive manager, supervisory  
15 manager or instructor.

16 “(8) ‘Private security services’ means the performance of at least one of  
17 the following activities:

18 “(a) Observing and reporting unlawful activity.

19 “(b) Preventing or detecting theft or misappropriation of goods, money  
20 or other items of value.

21 “(c) Protecting individuals or property, including but not limited to pro-  
22 prietary information, from harm or misappropriation.

23 “(d) Controlling access to premises being protected or, with respect to a  
24 licensee of the Oregon Liquor Control **and Cannabis** Commission, control-  
25 ling access to premises at an entry to the premises or any portion of the  
26 premises where minors are prohibited.

27 “(e) Securely moving prisoners.

28 “(f) Taking enforcement action by detaining persons or placing persons  
29 under arrest under ORS 133.225.

30 “(g) Providing canine services for guarding premises or for detecting un-

1 lawful devices or substances.

2 “(9) ‘Supervisory manager’ means an employee of or a person supervised  
3 by an executive manager who has as a primary responsibility the supervision  
4 of certified private security professionals.

5 **“SECTION 191.** ORS 181A.845 is amended to read:

6 “181A.845. (1) ORS 181A.840 to 181A.891 do not apply to:

7 “(a) A person certified by the Department of Public Safety Standards and  
8 Training as a police officer or a parole and probation officer.

9 “(b) A law enforcement officer of the United States.

10 “(c) An officer or employee of this state, Oregon Health and Science  
11 University established by ORS 353.020 or the United States while performing  
12 duties of the office or employment.

13 “(d) A person appointed or commissioned by the Governor to perform law  
14 enforcement or security services.

15 “(e) An attorney admitted to practice law in this state while engaged in  
16 the practice of law.

17 “(f) An insurance adjuster licensed in this state while performing duties  
18 authorized by the license.

19 “(g) A person who monitors alarm systems that are not designed to detect  
20 threats to public safety or personal well-being.

21 “(h) A person while protecting the person’s property.

22 “(i) A person who repairs and installs intrusion alarms while repairing  
23 or installing intrusion alarms.

24 “(j) A person acting as an investigator as defined in ORS 703.401.

25 “(k) A person performing crowd management or guest services, including,  
26 but not limited to, a person described as a ticket taker, an usher, a parking  
27 attendant or event staff.

28 “(L) A person who has a valid service permit issued by the Oregon Liquor  
29 Control **and Cannabis** Commission pursuant to ORS 471.360 and who is an  
30 employee of a licensee of the commission when the person is performing age

1 verification and controlling access to premises of the licensee, if the person  
2 is not:

3 “(A) Armed;

4 “(B) Permitted to initiate confrontational activities, including physical  
5 contact and the confiscation of property; or

6 “(C) Hired with the primary responsibility of taking enforcement action  
7 as described in ORS 181A.840 (8)(f).

8 “(m) A person performing security services at a facility regulated by the  
9 United States Nuclear Regulatory Commission if the facility is operated by  
10 the person’s employer.

11 “(n) An individual while on active duty as a member of the armed services  
12 or while performing duties as a law enforcement officer.

13 “(o) An employee of a financial institution who has been designated as a  
14 security officer for the financial institution pursuant to the Bank Protection  
15 Act of 1968 (12 U.S.C. 1881 et seq.) and regulations adopted under the act.

16 “(p) A person who provides security services as a volunteer or for de  
17 minimis consideration other than money for an event operated for the benefit  
18 of a corporation that is organized not for profit pursuant to ORS chapter 65  
19 or any predecessor of ORS chapter 65 or that is exempt from taxation under  
20 section 501(a) of the Internal Revenue Code as an organization described in  
21 section 501(c) of the Internal Revenue Code.

22 “(q) A student enrolled in a community college as defined in ORS 341.005  
23 while engaged in nonconfrontational activities that contribute to campus  
24 safety under the direct or indirect supervision of a law enforcement profes-  
25 sional or private security professional certified or licensed by the Depart-  
26 ment of Public Safety Standards and Training, provided the community  
27 college has conducted a criminal background check on the student.

28 “(2) The exemption provided by subsection (1)(k) of this section applies  
29 only:

30 “(a) To a person who is not:

1       “(A) Armed;

2       “(B) Permitted to initiate confrontational activities, including physical  
3 contact and the confiscation of property; or

4       “(C) Hired with the primary responsibility of taking enforcement action  
5 as described in ORS 181A.840 (8)(f);

6       “(b) If there is at least one person on-site who is certified or licensed  
7 under ORS 181A.870 for every 10 or fewer uncertified persons performing the  
8 services described in subsection (1)(k) of this section;

9       “(c) If any enforcement action, as described in ORS 181A.840 (8)(f), other  
10 than incidental or temporary action, is taken by or under the supervision  
11 of a person certified or licensed under ORS 181A.870; and

12       “(d) During the time when a crowd has assembled for the purpose of at-  
13 tending or taking part in an organized event, including pre-event assembly,  
14 event operation hours and post-event departure activities.

15       “(3) The exemption provided by subsection (1)(L) of this section does not  
16 apply during an organized event that is on a scale substantially outside the  
17 ordinary course of the licensee’s business.

18       “**SECTION 192.** ORS 221.770 is amended to read:

19       “221.770. (1) A share of certain revenues of this state shall be apportioned  
20 among and distributed to the cities of this state for general purposes as  
21 provided in this section. A city shall not be included in apportionments or  
22 receive distributions under this section for a fiscal year commencing on July  
23 1 unless the city:

24       “(a) Elects to receive distributions under this section for the fiscal year  
25 by enactment of an ordinance or resolution expressing that election and fil-  
26 ing a copy of that ordinance or resolution with the Oregon Department of  
27 Administrative Services not later than July 31 of the fiscal year;

28       “(b) Holds at least one public hearing, after adequate public notice, at  
29 which citizens have the opportunity to provide written and oral comment to  
30 the authority responsible for approving the proposed budget of the city for



1 the fiscal year on the possible uses of the distributions, including offset  
2 against property tax levies by the city for the fiscal year, and certifies its  
3 compliance with this paragraph to the Oregon Department of Administrative  
4 Services not later than July 31 of the fiscal year;

5 “(c) Holds at least one public hearing, after adequate public notice, at  
6 which citizens have the opportunity to provide written and oral comment to,  
7 and ask questions of, the authority responsible for adopting the budget of the  
8 city for the fiscal year on the proposed use of the distributions in relation  
9 to the entire budget of the city for the fiscal year, including possible offset  
10 of the distributions against property tax levies by the city for the fiscal year,  
11 and certifies its compliance with this paragraph to the Oregon Department  
12 of Administrative Services not later than July 31 of the fiscal year; and

13 “(d) Levied a property tax for the year preceding the year in which reve-  
14 nue sharing is due under ORS 471.810 and this section.

15 “(2) Not later than 35 days after the last day of each calendar quarter  
16 ending March 31, June 30, September 30 and December 31, the Oregon Liquor  
17 Control **and Cannabis** Commission shall determine the amount of the net  
18 revenue under ORS 471.805, received during the preceding calendar quarter  
19 and shall certify that amount to the Oregon Department of Administrative  
20 Services.

21 “(3) In addition to amounts otherwise apportioned to cities under ORS  
22 471.810, not later than 20 days after the date the Oregon Department of Ad-  
23 ministrative Services receives a certification under subsection (2) of this  
24 section, the department shall apportion among the cities of this state in the  
25 manner provided in subsection (4) of this section an amount equal to 14  
26 percent of the amount so certified, and shall pay to each city the amount so  
27 apportioned to the city. Payments shall be made from the Oregon Liquor  
28 Control **and Cannabis** Commission Account.

29 “(4) The amount apportioned to each city under subsection (3) of this  
30 section shall be a percentage of the total amount to be apportioned among

1 the cities determined by dividing the adjusted population of the city by the  
2 sum of the adjusted populations of all cities. The adjusted population of a  
3 city shall be determined by multiplying the city's population by the sum of:

4       “(a) The city's local consolidated property taxes per capita divided by the  
5 average consolidated property taxes per capita for all cities in the state; and

6       “(b) The amount of state income per capita divided by the amount of city  
7 income per capita.

8       “(5) The amount apportioned to each city shall be further limited to an  
9 amount no greater than the amount of all property taxes levied by the city  
10 during the year previous to the year in which distributions are made.

11       “(6) For purposes of the formula set forth in subsection (4) of this section,  
12 ‘city population’ is the population of a city as last determined under ORS  
13 190.510 to 190.590.

14       “(7)(a) For purposes of the formula set forth in subsection (4) of this  
15 section, ‘local consolidated property taxes’ has the meaning given in sub-  
16 section (8) of this section, for a city divided by the population of the city  
17 as last determined under ORS 190.510 to 190.590.

18       “(b) The Oregon Department of Administrative Services shall determine  
19 the amounts of property taxes for each city during the fiscal year closing  
20 on June 30 preceding the fiscal year commencing on July 1 for which cal-  
21 endar quarter apportionments are made, and that determination shall be used  
22 for each calendar quarter apportionment for that fiscal year commencing on  
23 July 1.

24       “(8) For purposes of subsection (7) of this section ‘consolidated property  
25 taxes’ are the total of all compulsory contributions in the form of ad valorem  
26 taxes on property located within a city levied during a one-year period by  
27 the city, a county, any school district and any special governmental district  
28 for public purposes and in amounts as compiled by the Department of Reve-  
29 nue on the basis of application of consolidated tax rates to assessor code  
30 area valuations.

1       “(9) For purposes of the formula set forth in subsection (4) of this section,  
2 ‘income per capita’ is the estimated average annual money income of resi-  
3 dents of this state and of residents of each city of this state, respectively,  
4 based upon the latest information available from the most recent federal  
5 decennial census.

6       “(10) A city receiving a distribution under this section may return all or  
7 any part of the distribution to the Oregon Department of Administrative  
8 Services, which shall deposit the returned distribution or part thereof in the  
9 General Fund to be available for payment of the general expenses of the  
10 state.

11       “**SECTION 193.** ORS 221.785 is amended to read:

12       “221.785. (1) Notwithstanding ORS 221.770, 323.455, 366.785 to 366.820 and  
13 471.810, when a proceeding challenging the validity of the incorporation of  
14 a city is commenced before a court or administrative agency of this state  
15 within two years after the incorporation, if the court or agency determines  
16 that the incorporation is invalid, moneys otherwise payable to the city under  
17 ORS 221.770, 323.455, 366.785 to 366.820 and 471.810 shall not be distributed  
18 to the city, but shall be deposited with the State Treasurer as provided in  
19 subsection (3) of this section.

20       “(2) Not later than 30 days after the issuance of an order or judgment  
21 declaring the incorporation of a city invalid, the party challenging the in-  
22 corporation shall send a certified copy of the order or judgment to the State  
23 Treasurer, Department of Transportation, Department of Revenue and the  
24 Oregon Liquor Control **and Cannabis** Commission.

25       “(3) Upon receiving a certified copy of the order or judgment under sub-  
26 section (2) of this section, the state officer or department having responsi-  
27 bility for the distribution of moneys under ORS 221.770, 323.455, 366.785 to  
28 366.820 and 471.810 shall deposit those moneys in an escrow account admin-  
29 istered by the State Treasurer.

30       “(4) Upon final determination of the validity of an incorporation by

1 judgment rendered by the highest court in which a decision could be had, the  
2 moneys in the escrow account established under subsection (3) of this section  
3 shall be distributed as follows:

4 “(a) If the incorporation is determined to be valid, to the city.

5 “(b) If the incorporation is determined to be invalid, each city in this  
6 state shall receive such share of the moneys as its population bears to the  
7 total population of the cities of the state.

8 “(5) The State Treasurer, upon receiving a certified copy of the judgment  
9 of the court which constitutes the final determination of the validity of the  
10 challenged incorporation shall distribute moneys in the escrow account as  
11 provided in subsection (4) of this section.

12 “(6) The State Treasurer shall retain interest earned on moneys deposited  
13 in the escrow account and shall distribute the interest in the same manner  
14 as other moneys in the account are distributed.

15 **“SECTION 194.** ORS 238.005 is amended to read:

16 “238.005. For purposes of this chapter:

17 “(1) ‘Active member’ means a member who is presently employed by a  
18 participating public employer in a qualifying position and who has completed  
19 the six-month period of service required by ORS 238.015.

20 “(2) ‘Annuity’ means payments for life derived from contributions made  
21 by a member as provided in this chapter.

22 “(3) ‘Board’ means the Public Employees Retirement Board.

23 “(4) ‘Calendar year’ means 12 calendar months commencing on January  
24 1 and ending on December 31 following.

25 “(5) ‘Continuous service’ means service not interrupted for more than five  
26 years, except that such continuous service shall be computed without regard  
27 to interruptions in the case of:

28 “(a) An employee who had returned to the service of the employer as of  
29 January 1, 1945, and who remained in that employment until having estab-  
30 lished membership in the Public Employees Retirement System.

1       “(b) An employee who was in the armed services on January 1, 1945, and  
2 returned to the service of the employer within one year of the date of being  
3 otherwise than dishonorably discharged and remained in that employment  
4 until having established membership in the Public Employees Retirement  
5 System.

6       “(6) ‘Creditable service’ means any period of time during which an active  
7 member is being paid a salary by a participating public employer and for  
8 which benefits under this chapter are funded by employer contributions and  
9 earnings on the fund. For purposes of computing years of ‘creditable  
10 service,’ full months and major fractions of a month shall be considered to  
11 be one-twelfth of a year and shall be added to all full years. ‘Creditable  
12 service’ includes all retirement credit received by a member.

13       “(7) ‘Earliest service retirement age’ means the age attained by a member  
14 when the member could first make application for retirement under the pro-  
15 visions of ORS 238.280.

16       “(8) ‘Employee’ includes, in addition to employees, public officers, but  
17 does not include:

18       “(a) Persons engaged as independent contractors.

19       “(b) Seasonal, emergency or casual workers whose periods of employment  
20 with any public employer or public employers do not total 600 hours in any  
21 calendar year.

22       “(c) Persons provided sheltered employment or made-work by a public  
23 employer in an employment or industries program maintained for the benefit  
24 of such persons.

25       “(d) Persons employed and paid from federal funds received under a fed-  
26 eral program intended primarily to alleviate unemployment. However, any  
27 such person shall be considered an ‘employee’ if not otherwise excluded by  
28 paragraphs (a) to (c) of this subsection and the public employer elects to  
29 have the person so considered by an irrevocable written notice to the board.

30       “(e) Persons who are employees of a railroad, as defined in ORS 824.020,

1 and who, as such employees, are included in a retirement plan under federal  
2 railroad retirement statutes. This paragraph shall be deemed to have been  
3 in effect since the inception of the system.

4 “(9) ‘Final average salary’ means whichever of the following is greater:

5 “(a) The average salary per calendar year paid by one or more partic-  
6 ipating public employers to an employee who is an active member of the  
7 system in three of the calendar years of membership before the effective date  
8 of retirement of the employee, in which three years the employee was paid  
9 the highest salary. The three calendar years in which the employee was paid  
10 the largest total salary may include calendar years in which the employee  
11 was employed for less than a full calendar year. If the number of calendar  
12 years of active membership before the effective date of retirement of the  
13 employee is three or fewer, the final average salary for the employee is the  
14 average salary per calendar year paid by one or more participating public  
15 employers to the employee in all of those years, without regard to whether  
16 the employee was employed for the full calendar year.

17 “(b) One-third of the total salary paid by a participating public employer  
18 to an employee who is an active member of the system in the last 36 calendar  
19 months of active membership before the effective date of retirement of the  
20 employee.

21 “(10) ‘Firefighter’ does not include a volunteer firefighter, but does in-  
22 clude:

23 “(a) The State Fire Marshal, the chief deputy fire marshal and deputy  
24 state fire marshals; and

25 “(b) An employee of the State Forestry Department who is certified by the  
26 State Forester as a professional wildland firefighter and whose primary du-  
27 ties include the abatement of uncontrolled fires as described in ORS 477.064.

28 “(11) ‘Fiscal year’ means 12 calendar months commencing on July 1 and  
29 ending on June 30 following.

30 “(12) ‘Fund’ means the Public Employees Retirement Fund.

1       “(13) ‘Inactive member’ means a member who is not employed in a quali-  
2       fying position, whose membership has not been terminated in the manner  
3       described by ORS 238.095 and who is not retired for service or disability.

4       “(14) ‘Institution of higher education’ means a public university listed in  
5       ORS 352.002, the Oregon Health and Science University and a community  
6       college, as defined in ORS 341.005.

7       “(15) ‘Member’ means a person who has established membership in the  
8       system and whose membership has not been terminated as described in ORS  
9       238.095. ‘Member’ includes active, inactive and retired members.

10       “(16) ‘Member account’ means the regular account and the variable ac-  
11       count.

12       “(17) ‘Normal retirement age’ means:

13       “(a) For a person who establishes membership in the system before Jan-  
14       uary 1, 1996, as described in ORS 238.430, 55 years of age if the employee  
15       retires at that age as a police officer or firefighter or 58 years of age if the  
16       employee retires at that age as other than a police officer or firefighter.

17       “(b) For a person who establishes membership in the system on or after  
18       January 1, 1996, as described in ORS 238.430, 55 years of age if the employee  
19       retires at that age as a police officer or firefighter or 60 years of age if the  
20       employee retires at that age as other than a police officer or firefighter.

21       “(18) ‘Pension’ means annual payments for life derived from contributions  
22       by one or more public employers.

23       “(19) ‘Police officer’ includes:

24       “(a) Employees of institutions defined in ORS 421.005 as Department of  
25       Corrections institutions whose duties, as assigned by the Director of the  
26       Department of Corrections, include the custody of persons committed to the  
27       custody of or transferred to the Department of Corrections and employees  
28       of the Department of Corrections who were classified as police officers on  
29       or before July 27, 1989, whether or not such classification was authorized  
30       by law.

1       “(b) Employees of the Department of State Police who are classified as  
2 police officers by the Superintendent of State Police.

3       “(c) Employees of the Oregon Liquor Control **and Cannabis** Commission  
4 who are classified as regulatory specialists by the administrator of the com-  
5 mission.

6       “(d) Sheriffs and those deputy sheriffs or other employees of a sheriff  
7 whose duties, as classified by the sheriff, are the regular duties of police  
8 officers or corrections officers.

9       “(e) Police chiefs and police personnel of a city who are classified as po-  
10 lice officers by the council or other governing body of the city.

11       “(f) Police officers who are commissioned by a university under ORS  
12 352.121 or 353.125 and who are classified as police officers by the university.

13       “(g) Parole and probation officers employed by the Department of Cor-  
14 rections, parole and probation officers who are transferred to county em-  
15 ployment under ORS 423.549 and adult parole and probation officers, as  
16 defined in ORS 181A.355, who are classified as police officers for the pur-  
17 poses of this chapter by the county governing body. If a county classifies  
18 adult parole and probation officers as police officers for the purposes of this  
19 chapter, and the employees so classified are represented by a labor organ-  
20 ization, any proposal by the county to change that classification or to cease  
21 to classify adult parole and probation officers as police officers for the pur-  
22 poses of this chapter is a mandatory subject of bargaining.

23       “(h) Police officers appointed under ORS 276.021 or 276.023.

24       “(i) Employees of the Port of Portland who are classified as airport police  
25 by the Board of Commissioners of the Port of Portland.

26       “(j) Employees of the State Department of Agriculture who are classified  
27 as livestock police officers by the Director of Agriculture.

28       “(k) Employees of the Department of Public Safety Standards and Train-  
29 ing who are classified by the department as other than secretarial or clerical  
30 personnel.



1       “(L) Investigators of the Criminal Justice Division of the Department of  
2 Justice.

3       “(m) Corrections officers as defined in ORS 181A.355.

4       “(n) Employees of the Oregon State Lottery Commission who are classi-  
5 fied by the Director of the Oregon State Lottery as enforcement agents pur-  
6 suant to ORS 461.110.

7       “(o) The Director of the Department of Corrections.

8       “(p) An employee who for seven consecutive years has been classified as  
9 a police officer as defined by this section, and who is employed or transferred  
10 by the Department of Corrections to fill a position designated by the Direc-  
11 tor of the Department of Corrections as being eligible for police officer sta-  
12 tus.

13       “(q) An employee of the Department of Corrections classified as a police  
14 officer on or prior to July 27, 1989, whether or not that classification was  
15 authorized by law, as long as the employee remains in the position held on  
16 July 27, 1989. The initial classification of an employee under a system im-  
17 plemented pursuant to ORS 240.190 does not affect police officer status.

18       “(r) Employees of a school district who are appointed and duly sworn  
19 members of a law enforcement agency of the district as provided in ORS  
20 332.531 or otherwise employed full-time as police officers commissioned by  
21 the district.

22       “(s) Employees at youth correction facilities and juvenile detention facil-  
23 ities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required  
24 to hold valid Oregon teaching licenses and who have supervisory, control or  
25 teaching responsibilities over juveniles committed to the custody of the De-  
26 partment of Corrections or the Oregon Youth Authority.

27       “(t) Employees at youth correction facilities as defined in ORS 420.005  
28 whose primary job description involves the custody, control, treatment, in-  
29 vestigation or supervision of juveniles placed in such facilities.

30       “(u) Employees of the Oregon Youth Authority who are classified as ju-

1 venile parole and probation officers.

2 “(v) Employees of the Department of Human Services who are prohibited  
3 from striking under ORS 243.726 and whose duties include the care of resi-  
4 dents of residential facilities, as defined in ORS 443.400, that house individ-  
5 uals with intellectual or developmental disabilities.

6 “(20) ‘Prior service credit’ means credit provided under ORS 238.442 or  
7 under ORS 238.225 (2) to (6) (1999 Edition).

8 “(21) ‘Public employer’ means the state, one of its agencies, any city,  
9 county, or municipal or public corporation, any political subdivision of the  
10 state or any instrumentality thereof, or an agency created by one or more  
11 such governmental organizations to provide governmental services. For pur-  
12 poses of this chapter, such agency created by one or more governmental or-  
13 ganizations is a governmental instrumentality and a legal entity with power  
14 to enter into contracts, hold property and sue and be sued.

15 “(22) ‘Qualifying position’ means one or more jobs with one or more par-  
16 ticipating public employers in which an employee performs 600 or more hours  
17 of service in a calendar year, excluding any service in a job for which a  
18 participating public employer does not provide benefits under this chapter  
19 pursuant to an application made under ORS 238.035.

20 “(23) ‘Regular account’ means the account established for each active and  
21 inactive member under ORS 238.250.

22 “(24) ‘Retired member’ means a member who is retired for service or dis-  
23 ability.

24 “(25) ‘Retirement credit’ means a period of time that is treated as credit-  
25 able service for the purposes of this chapter.

26 “(26)(a) ‘Salary’ means the remuneration paid an employee in cash out of  
27 the funds of a public employer in return for services to the employer, plus  
28 the monetary value, as determined by the Public Employees Retirement  
29 Board, of whatever living quarters, board, lodging, fuel, laundry and other  
30 advantages the employer furnishes the employee in return for services.

1       “(b) ‘Salary’ includes but is not limited to:

2       “(A) Payments of employee and employer money into a deferred compen-  
3 sation plan, which are deemed salary paid in each month of deferral;

4       “(B) The amount of participation in a tax-sheltered or deferred annuity,  
5 which is deemed salary paid in each month of participation;

6       “(C) Retroactive payments described in ORS 238.008; and

7       “(D) Wages of a deceased member paid to a surviving spouse or dependent  
8 children under ORS 652.190.

9       “(c) ‘Salary’ or ‘other advantages’ does not include:

10       “(A) Travel or any other expenses incidental to employer’s business which  
11 is reimbursed by the employer;

12       “(B) Payments for insurance coverage by an employer on behalf of em-  
13 ployee or employee and dependents, for which the employee has no cash op-  
14 tion;

15       “(C) Payments made on account of an employee’s death;

16       “(D) Any lump sum payment for accumulated unused sick leave;

17       “(E) Any accelerated payment of an employment contract for a future  
18 period or an advance against future wages;

19       “(F) Any retirement incentive, retirement severance pay, retirement bonus  
20 or retirement gratuitous payment;

21       “(G) Payments for periods of leave of absence after the date the employer  
22 and employee have agreed that no future services qualifying pursuant to ORS  
23 238.015 (3) will be performed, except for sick leave and vacation;

24       “(H) Payments for instructional services rendered to public universities  
25 listed in ORS 352.002 or the Oregon Health and Science University when  
26 such services are in excess of full-time employment subject to this chapter.  
27 A person employed under a contract for less than 12 months is subject to this  
28 subparagraph only for the months to which the contract pertains; or

29       “(I) Payments made by an employer for insurance coverage provided to a  
30 domestic partner of an employee.

1       “(27) ‘School year’ means the period beginning July 1 and ending June 30  
2 next following.

3       “(28) ‘System’ means the Public Employees Retirement System.

4       “(29) ‘Variable account’ means the account established for a member who  
5 participates in the Variable Annuity Account under ORS 238.260.

6       “(30) ‘Vested’ means being an active member of the system in each of five  
7 calendar years.

8       “(31) ‘Volunteer firefighter’ means a firefighter whose position normally  
9 requires less than 600 hours of service per year.

10       **“SECTION 195.** ORS 244.045 is amended to read:

11       “244.045. (1) A person who has been a Public Utility Commissioner, the  
12 Director of the Department of Consumer and Business Services, the Admin-  
13 istrator of the Division of Finance and Corporate Securities, the Adminis-  
14 trator of the Insurance Division, the Administrator of the Oregon Liquor  
15 Control **and Cannabis** Commission or the Director of the Oregon State  
16 Lottery shall not:

17       “(a) Within one year after the public official ceases to hold the position  
18 become an employee of or receive any financial gain, other than reimburse-  
19 ment of expenses, from any private employer engaged in the activity, occu-  
20 pation or industry over which the former public official had authority; or

21       “(b) Within two years after the public official ceases to hold the position:

22       “(A) Be a lobbyist for or appear as a representative before the agency  
23 over which the person exercised authority as a public official;

24       “(B) Influence or try to influence the actions of the agency; or

25       “(C) Disclose any confidential information gained as a public official.

26       “(2) A person who has been a Deputy Attorney General or an assistant  
27 attorney general shall not, within two years after the person ceases to hold  
28 the position, lobby or appear before an agency that the person represented  
29 while employed by the Department of Justice.

30       “(3) A person who has been the State Treasurer or the Deputy State

1 Treasurer shall not, within one year after ceasing to hold office:

2 “(a) Accept employment from or be retained by any private entity with  
3 whom the office of the State Treasurer or the Oregon Investment Council  
4 negotiated or to whom either awarded a contract providing for payment by  
5 the state of at least \$25,000 in any single year during the term of office of  
6 the treasurer;

7 “(b) Accept employment from or be retained by any private entity with  
8 whom the office of the State Treasurer or the Oregon Investment Council  
9 placed at least \$50,000 of investment moneys in any single year during the  
10 term of office of the treasurer; or

11 “(c) Be a lobbyist for an investment institution, manager or consultant,  
12 or appear before the office of the State Treasurer or Oregon Investment  
13 Council as a representative of an investment institution, manager or con-  
14 sultant.

15 “(4) A public official who as part of the official’s duties invested public  
16 funds shall not within two years after the public official ceases to hold the  
17 position:

18 “(a) Be a lobbyist or appear as a representative before the agency, board  
19 or commission for which the former public official invested public funds;

20 “(b) Influence or try to influence the agency, board or commission; or

21 “(c) Disclose any confidential information gained as a public official.

22 “(5)(a) A person who has been a member of the Department of State Po-  
23 lice, who has held a position with the department with the responsibility for  
24 supervising, directing or administering programs relating to gaming by a  
25 Native American tribe or the Oregon State Lottery and who has been des-  
26 ignated by the Superintendent of State Police by rule shall not, within one  
27 year after the member of the Department of State Police ceases to hold the  
28 position:

29 “(A) Accept employment from or be retained by or receive any financial  
30 gain related to gaming from the Oregon State Lottery or any Native Ameri-

1 can tribe;

2 “(B) Accept employment from or be retained by or receive any financial  
3 gain from any private employer selling or offering to sell gaming products  
4 or services;

5 “(C) Influence or try to influence the actions of the Department of State  
6 Police; or

7 “(D) Disclose any confidential information gained as a member of the  
8 Department of State Police.

9 “(b) This subsection does not apply to:

10 “(A) Appointment or employment of a person as an Oregon State Lottery  
11 Commissioner or as a Tribal Gaming Commissioner or regulatory agent  
12 thereof;

13 “(B) Contracting with the Oregon State Lottery as a lottery game retailer;

14 “(C) Financial gain received from personal gaming activities conducted  
15 as a private citizen; or

16 “(D) Subsequent employment in any capacity by the Department of State  
17 Police.

18 “(c) As used in this subsection, ‘Native American tribe’ means any re-  
19 cognized Native American tribe or band of tribes authorized by the Indian  
20 Gaming Regulatory Act of October 17, 1988 (Public Law 100-497), 25 U.S.C.  
21 2701 et seq., to conduct gambling operations on tribal land.

22 “(6) A person who has been a member of the Legislative Assembly may  
23 not receive money or any other consideration for lobbying as defined in ORS  
24 171.725 performed during the period beginning on the date the person ceases  
25 to be a member of the Legislative Assembly and ending on the date of  
26 adjournment sine die of the next regular session of the Legislative Assembly  
27 that begins after the date the person ceases to be a member of the Legislative  
28 Assembly.

29 **“SECTION 196.** ORS 244.050 is amended to read:

30 “244.050. (1) On or before April 15 of each year the following persons shall

1 file with the Oregon Government Ethics Commission a verified statement of  
2 economic interest as required under this chapter:

3 “(a) The Governor, Secretary of State, State Treasurer, Attorney General,  
4 Commissioner of the Bureau of Labor and Industries, district attorneys and  
5 members of the Legislative Assembly.

6 “(b) Any judicial officer, including justices of the peace and municipal  
7 judges, except any pro tem judicial officer who does not otherwise serve as  
8 a judicial officer.

9 “(c) Any candidate for a public office designated in paragraph (a) or (b)  
10 of this subsection.

11 “(d) The Deputy Attorney General.

12 “(e) The Deputy Secretary of State.

13 “(f) The Legislative Administrator, the Legislative Counsel, the Legisla-  
14 tive Fiscal Officer, the Secretary of the Senate and the Chief Clerk of the  
15 House of Representatives.

16 “(g) The president and vice presidents, or their administrative equiv-  
17 alents, in each public university listed in ORS 352.002.

18 “(h) The following state officers:

19 “(A) Adjutant General.

20 “(B) Director of Agriculture.

21 “(C) Manager of State Accident Insurance Fund Corporation.

22 “(D) Water Resources Director.

23 “(E) Director of Department of Environmental Quality.

24 “(F) Director of Oregon Department of Administrative Services.

25 “(G) State Fish and Wildlife Director.

26 “(H) State Forester.

27 “(I) State Geologist.

28 “(J) Director of Human Services.

29 “(K) Director of the Department of Consumer and Business Services.

30 “(L) Director of the Department of State Lands.

- 1       “(M) State Librarian.
- 2       “(N) Administrator of Oregon Liquor Control **and Cannabis** Commission.
- 3       “(O) Superintendent of State Police.
- 4       “(P) Director of the Public Employees Retirement System.
- 5       “(Q) Director of Department of Revenue.
- 6       “(R) Director of Transportation.
- 7       “(S) Public Utility Commissioner.
- 8       “(T) Director of Veterans’ Affairs.
- 9       “(U) Executive director of Oregon Government Ethics Commission.
- 10      “(V) Director of the State Department of Energy.
- 11      “(W) Director and each assistant director of the Oregon State Lottery.
- 12      “(X) Director of the Department of Corrections.
- 13      “(Y) Director of the Oregon Department of Aviation.
- 14      “(Z) Executive director of the Oregon Criminal Justice Commission.
- 15      “(AA) Director of the Oregon Business Development Department.
- 16      “(BB) Director of the Office of Emergency Management.
- 17      “(CC) Director of the Employment Department.
- 18      “(DD) Chief of staff for the Governor.
- 19      “(EE) Administrator of the Office for Oregon Health Policy and Research.
- 20      “(FF) Director of the Housing and Community Services Department.
- 21      “(GG) State Court Administrator.
- 22      “(HH) Director of the Department of Land Conservation and Develop-
- 23      ment.
- 24      “(II) Board chairperson of the Land Use Board of Appeals.
- 25      “(JJ) State Marine Director.
- 26      “(KK) Executive director of the Oregon Racing Commission.
- 27      “(LL) State Parks and Recreation Director.
- 28      “(MM) Public defense services executive director.
- 29      “(NN) Chairperson of the Public Employees’ Benefit Board.
- 30      “(OO) Director of the Department of Public Safety Standards and Train-



1 ing.

2 “(PP) Executive director of the Higher Education Coordinating Commis-  
3 sion.

4 “(QQ) Executive director of the Oregon Watershed Enhancement Board.

5 “(RR) Director of the Oregon Youth Authority.

6 “(SS) Director of the Oregon Health Authority.

7 “(TT) Deputy Superintendent of Public Instruction.

8 “(i) The First Partner, the legal counsel, the deputy legal counsel and all  
9 policy advisors within the Governor’s office.

10 “(j) Every elected city or county official.

11 “(k) Every member of a city or county planning, zoning or development  
12 commission.

13 “(L) The chief executive officer of a city or county who performs the du-  
14 ties of manager or principal administrator of the city or county.

15 “(m) Members of local government boundary commissions formed under  
16 ORS 199.410 to 199.519.

17 “(n) Every member of a governing body of a metropolitan service district  
18 and the auditor and executive officer thereof.

19 “(o) Each member of the board of directors of the State Accident Insur-  
20 ance Fund Corporation.

21 “(p) The chief administrative officer and the financial officer of each  
22 common and union high school district, education service district and com-  
23 munity college district.

24 “(q) Every member of the following state boards and commissions:

25 “(A) Board of Geologic and Mineral Industries.

26 “(B) Oregon Business Development Commission.

27 “(C) State Board of Education.

28 “(D) Environmental Quality Commission.

29 “(E) Fish and Wildlife Commission of the State of Oregon.

30 “(F) State Board of Forestry.

- 1       “(G) Oregon Government Ethics Commission.
- 2       “(H) Oregon Health Policy Board.
- 3       “(I) Oregon Investment Council.
- 4       “(J) Land Conservation and Development Commission.
- 5       “(K) Oregon Liquor Control **and Cannabis** Commission.
- 6       “(L) Oregon Short Term Fund Board.
- 7       “(M) State Marine Board.
- 8       “(N) Mass transit district boards.
- 9       “(O) Energy Facility Siting Council.
- 10      “(P) Board of Commissioners of the Port of Portland.
- 11      “(Q) Employment Relations Board.
- 12      “(R) Public Employees Retirement Board.
- 13      “(S) Oregon Racing Commission.
- 14      “(T) Oregon Transportation Commission.
- 15      “(U) Water Resources Commission.
- 16      “(V) Workers’ Compensation Board.
- 17      “(W) Oregon Facilities Authority.
- 18      “(X) Oregon State Lottery Commission.
- 19      “(Y) Pacific Northwest Electric Power and Conservation Planning Coun-  
20      cil.
- 21      “(Z) Columbia River Gorge Commission.
- 22      “(AA) Oregon Health and Science University Board of Directors.
- 23      “(BB) Capitol Planning Commission.
- 24      “(CC) Higher Education Coordinating Commission.
- 25      “(DD) Oregon Growth Board.
- 26      “(EE) Early Learning Council.
- 27      “(r) The following officers of the State Treasurer:
- 28      “(A) Deputy State Treasurer.
- 29      “(B) Chief of staff for the office of the State Treasurer.
- 30      “(C) Director of the Investment Division.

1       “(s) Every member of the board of commissioners of a port governed by  
2       ORS 777.005 to 777.725 or 777.915 to 777.953.

3       “(t) Every member of the board of directors of an authority created under  
4       ORS 441.525 to 441.595.

5       “(u) Every member of a governing board of a public university listed in  
6       ORS 352.002.

7       “(v) Every member of the board of directors of an authority created under  
8       ORS 465.600 to 465.621.

9       “(2) By April 15 next after the date an appointment takes effect, every  
10       appointed public official on a board or commission listed in subsection (1)  
11       of this section shall file with the Oregon Government Ethics Commission a  
12       statement of economic interest as required under ORS 244.060, 244.070 and  
13       244.090.

14       “(3) By April 15 next after the filing deadline for the primary election,  
15       each candidate described in subsection (1) of this section shall file with the  
16       commission a statement of economic interest as required under ORS 244.060,  
17       244.070 and 244.090.

18       “(4) Within 30 days after the filing deadline for the general election, each  
19       candidate described in subsection (1) of this section who was not a candidate  
20       in the preceding primary election, or who was nominated for public office  
21       described in subsection (1) of this section at the preceding primary election  
22       by write-in votes, shall file with the commission a statement of economic  
23       interest as required under ORS 244.060, 244.070 and 244.090.

24       “(5) Subsections (1) to (4) of this section apply only to persons who are  
25       incumbent, elected or appointed public officials as of April 15 and to persons  
26       who are candidates on April 15. Subsections (1) to (4) of this section also  
27       apply to persons who do not become candidates until 30 days after the filing  
28       deadline for the statewide general election.

29       “(6) If a statement required to be filed under this section has not been  
30       received by the commission within five days after the date the statement is

1 due, the commission shall notify the public official or candidate and give the  
2 public official or candidate not less than 15 days to comply with the re-  
3 quirements of this section. If the public official or candidate fails to comply  
4 by the date set by the commission, the commission may impose a civil pen-  
5 alty as provided in ORS 244.350.

6 **SECTION 197.** ORS 244.050, as amended by section 10, chapter 88,  
7 Oregon Laws 2016, is amended to read:

8 "244.050. (1) On or before April 15 of each year the following persons shall  
9 file with the Oregon Government Ethics Commission a verified statement of  
10 economic interest as required under this chapter:

11 "(a) The Governor, Secretary of State, State Treasurer, Attorney General,  
12 Commissioner of the Bureau of Labor and Industries, district attorneys and  
13 members of the Legislative Assembly.

14 "(b) Any judicial officer, including justices of the peace and municipal  
15 judges, except any pro tem judicial officer who does not otherwise serve as  
16 a judicial officer.

17 "(c) Any candidate for a public office designated in paragraph (a) or (b)  
18 of this subsection.

19 "(d) The Deputy Attorney General.

20 "(e) The Deputy Secretary of State.

21 "(f) The Legislative Administrator, the Legislative Counsel, the Legisla-  
22 tive Fiscal Officer, the Legislative Policy and Research Director, the Secre-  
23 tary of the Senate and the Chief Clerk of the House of Representatives.

24 "(g) The president and vice presidents, or their administrative equiv-  
25 alents, in each public university listed in ORS 352.002.

26 "(h) The following state officers:

27 "(A) Adjutant General.

28 "(B) Director of Agriculture.

29 "(C) Manager of State Accident Insurance Fund Corporation.

30 "(D) Water Resources Director.

- 1 “(E) Director of Department of Environmental Quality.
- 2 “(F) Director of Oregon Department of Administrative Services.
- 3 “(G) State Fish and Wildlife Director.
- 4 “(H) State Forester.
- 5 “(I) State Geologist.
- 6 “(J) Director of Human Services.
- 7 “(K) Director of the Department of Consumer and Business Services.
- 8 “(L) Director of the Department of State Lands.
- 9 “(M) State Librarian.
- 10 “(N) Administrator of Oregon Liquor Control **and Cannabis** Commission.
- 11 “(O) Superintendent of State Police.
- 12 “(P) Director of the Public Employees Retirement System.
- 13 “(Q) Director of Department of Revenue.
- 14 “(R) Director of Transportation.
- 15 “(S) Public Utility Commissioner.
- 16 “(T) Director of Veterans’ Affairs.
- 17 “(U) Executive director of Oregon Government Ethics Commission.
- 18 “(V) Director of the State Department of Energy.
- 19 “(W) Director and each assistant director of the Oregon State Lottery.
- 20 “(X) Director of the Department of Corrections.
- 21 “(Y) Director of the Oregon Department of Aviation.
- 22 “(Z) Executive director of the Oregon Criminal Justice Commission.
- 23 “(AA) Director of the Oregon Business Development Department.
- 24 “(BB) Director of the Office of Emergency Management.
- 25 “(CC) Director of the Employment Department.
- 26 “(DD) Chief of staff for the Governor.
- 27 “(EE) Administrator of the Office for Oregon Health Policy and Research.
- 28 “(FF) Director of the Housing and Community Services Department.
- 29 “(GG) State Court Administrator.
- 30 “(HH) Director of the Department of Land Conservation and Develop-

1 ment.

2 “(II) Board chairperson of the Land Use Board of Appeals.

3 “(JJ) State Marine Director.

4 “(KK) Executive director of the Oregon Racing Commission.

5 “(LL) State Parks and Recreation Director.

6 “(MM) Public defense services executive director.

7 “(NN) Chairperson of the Public Employees’ Benefit Board.

8 “(OO) Director of the Department of Public Safety Standards and Train-

9 ing.

10 “(PP) Executive director of the Higher Education Coordinating Commis-

11 sion.

12 “(QQ) Executive director of the Oregon Watershed Enhancement Board.

13 “(RR) Director of the Oregon Youth Authority.

14 “(SS) Director of the Oregon Health Authority.

15 “(TT) Deputy Superintendent of Public Instruction.

16 “(i) The First Partner, the legal counsel, the deputy legal counsel and all

17 policy advisors within the Governor’s office.

18 “(j) Every elected city or county official.

19 “(k) Every member of a city or county planning, zoning or development

20 commission.

21 “(L) The chief executive officer of a city or county who performs the du-

22 ties of manager or principal administrator of the city or county.

23 “(m) Members of local government boundary commissions formed under

24 ORS 199.410 to 199.519.

25 “(n) Every member of a governing body of a metropolitan service district

26 and the auditor and executive officer thereof.

27 “(o) Each member of the board of directors of the State Accident Insur-

28 ance Fund Corporation.

29 “(p) The chief administrative officer and the financial officer of each

30 common and union high school district, education service district and com-

- 1 munity college district.
- 2 “(q) Every member of the following state boards and commissions:
- 3 “(A) Board of Geologic and Mineral Industries.
- 4 “(B) Oregon Business Development Commission.
- 5 “(C) State Board of Education.
- 6 “(D) Environmental Quality Commission.
- 7 “(E) Fish and Wildlife Commission of the State of Oregon.
- 8 “(F) State Board of Forestry.
- 9 “(G) Oregon Government Ethics Commission.
- 10 “(H) Oregon Health Policy Board.
- 11 “(I) Oregon Investment Council.
- 12 “(J) Land Conservation and Development Commission.
- 13 “(K) Oregon Liquor Control **and Cannabis** Commission.
- 14 “(L) Oregon Short Term Fund Board.
- 15 “(M) State Marine Board.
- 16 “(N) Mass transit district boards.
- 17 “(O) Energy Facility Siting Council.
- 18 “(P) Board of Commissioners of the Port of Portland.
- 19 “(Q) Employment Relations Board.
- 20 “(R) Public Employees Retirement Board.
- 21 “(S) Oregon Racing Commission.
- 22 “(T) Oregon Transportation Commission.
- 23 “(U) Water Resources Commission.
- 24 “(V) Workers’ Compensation Board.
- 25 “(W) Oregon Facilities Authority.
- 26 “(X) Oregon State Lottery Commission.
- 27 “(Y) Pacific Northwest Electric Power and Conservation Planning Coun-  
28 cil.
- 29 “(Z) Columbia River Gorge Commission.
- 30 “(AA) Oregon Health and Science University Board of Directors.

1 “(BB) Capitol Planning Commission.

2 “(CC) Higher Education Coordinating Commission.

3 “(DD) Oregon Growth Board.

4 “(EE) Early Learning Council.

5 “(r) The following officers of the State Treasurer:

6 “(A) Deputy State Treasurer.

7 “(B) Chief of staff for the office of the State Treasurer.

8 “(C) Director of the Investment Division.

9 “(s) Every member of the board of commissioners of a port governed by  
10 ORS 777.005 to 777.725 or 777.915 to 777.953.

11 “(t) Every member of the board of directors of an authority created under  
12 ORS 441.525 to 441.595.

13 “(u) Every member of a governing board of a public university listed in  
14 ORS 352.002.

15 “(v) Every member of the board of directors of an authority created under  
16 ORS 465.600 to 465.621.

17 “(2) By April 15 next after the date an appointment takes effect, every  
18 appointed public official on a board or commission listed in subsection (1)  
19 of this section shall file with the Oregon Government Ethics Commission a  
20 statement of economic interest as required under ORS 244.060, 244.070 and  
21 244.090.

22 “(3) By April 15 next after the filing deadline for the primary election,  
23 each candidate described in subsection (1) of this section shall file with the  
24 commission a statement of economic interest as required under ORS 244.060,  
25 244.070 and 244.090.

26 “(4) Within 30 days after the filing deadline for the general election, each  
27 candidate described in subsection (1) of this section who was not a candidate  
28 in the preceding primary election, or who was nominated for public office  
29 described in subsection (1) of this section at the preceding primary election  
30 by write-in votes, shall file with the commission a statement of economic



1 interest as required under ORS 244.060, 244.070 and 244.090.

2 “(5) Subsections (1) to (4) of this section apply only to persons who are  
3 incumbent, elected or appointed public officials as of April 15 and to persons  
4 who are candidates on April 15. Subsections (1) to (4) of this section also  
5 apply to persons who do not become candidates until 30 days after the filing  
6 deadline for the statewide general election.

7 “(6) If a statement required to be filed under this section has not been  
8 received by the commission within five days after the date the statement is  
9 due, the commission shall notify the public official or candidate and give the  
10 public official or candidate not less than 15 days to comply with the re-  
11 quirements of this section. If the public official or candidate fails to comply  
12 by the date set by the commission, the commission may impose a civil pen-  
13 alty as provided in ORS 244.350.

14 **“SECTION 198.** ORS 279A.025 is amended to read:

15 “279A.025. (1) Except as provided in subsections (2) to (4) of this section,  
16 the Public Contracting Code applies to all public contracting.

17 “(2) The Public Contracting Code does not apply to:

18 “(a) Contracts between a contracting agency and:

19 “(A) Another contracting agency;

20 “(B) The Oregon Health and Science University;

21 “(C) A public university listed in ORS 352.002;

22 “(D) The Oregon State Bar;

23 “(E) A governmental body of another state;

24 “(F) The federal government;

25 “(G) An American Indian tribe or an agency of an American Indian tribe;

26 “(H) A nation, or a governmental body in a nation, other than the United  
27 States; or

28 “(I) An intergovernmental entity formed between or among:

29 “(i) Governmental bodies of this or another state;

30 “(ii) The federal government;

1       “(iii) An American Indian tribe or an agency of an American Indian tribe;  
2       “(iv) A nation other than the United States; or  
3       “(v) A governmental body in a nation other than the United States;  
4       “(b) Agreements authorized by ORS chapter 190 or by a statute, charter  
5 provision, ordinance or other authority for establishing agreements between  
6 or among governmental bodies or agencies or tribal governing bodies or  
7 agencies;  
8       “(c) Insurance and service contracts as provided for under ORS 414.115,  
9 414.125, 414.135 and 414.145 for purposes of source selection;  
10       “(d) Grants;  
11       “(e) Contracts for professional or expert witnesses or consultants to pro-  
12 vide services or testimony relating to existing or potential litigation or legal  
13 matters in which a public body is or may become interested;  
14       “(f) Acquisitions or disposals of real property or interest in real property;  
15       “(g) Sole-source expenditures when rates are set by law or ordinance for  
16 purposes of source selection;  
17       “(h) Contracts for the procurement or distribution of textbooks;  
18       “(i) Procurements by a contracting agency from an Oregon Corrections  
19 Enterprises program;  
20       “(j) The procurement, transportation [*or*], distribution **or sales** of distilled  
21 liquor, as defined in ORS 471.001, or the appointment of agents under ORS  
22 **471.230 or** 471.750 by the Oregon Liquor Control **and Cannabis** Commission;  
23       “(k) Contracts entered into under ORS chapter 180 between the Attorney  
24 General and private counsel or special legal assistants;  
25       “(L) Contracts for the sale of timber from lands owned or managed by the  
26 State Board of Forestry and the State Forestry Department;  
27       “(m) Contracts for activities necessary or convenient for the sale of tim-  
28 ber under paragraph (L) of this subsection, either separately from or in  
29 conjunction with contracts for the sale of timber, including but not limited  
30 to activities such as timber harvesting and sorting, transporting, gravel pit

1 development or operation, and road construction, maintenance or improve-  
2 ment;

3 “(n) Contracts for forest protection or forest related activities, as de-  
4 scribed in ORS 477.406, by the State Forester or the State Board of Forestry;

5 “(o) Contracts entered into by the Housing and Community Services De-  
6 partment in exercising the department’s duties prescribed in ORS chapters  
7 456 and 458, except that the department’s public contracting for goods and  
8 services is subject to ORS chapter 279B;

9 “(p) Contracts entered into by the State Treasurer in exercising the  
10 powers of that office prescribed in ORS 178.010 to 178.100 and ORS chapters  
11 286A, 287A, 289, 293, 294 and 295, including but not limited to investment  
12 contracts and agreements, banking services, clearing house services and  
13 collateralization agreements, bond documents, certificates of participation  
14 and other debt repayment agreements, and any associated contracts, agree-  
15 ments and documents, regardless of whether the obligations that the con-  
16 tracts, agreements or documents establish are general, special or limited,  
17 except that the State Treasurer’s public contracting for goods and services  
18 is subject to ORS chapter 279B;

19 “(q) Contracts, agreements or other documents entered into, issued or es-  
20 tablished in connection with:

21 “(A) The issuance of obligations, as defined in ORS 286A.100 and  
22 287A.310, of a public body;

23 “(B) The making of program loans and similar extensions or advances of  
24 funds, aid or assistance by a public body to a public or private body for the  
25 purpose of carrying out, promoting or sustaining activities or programs au-  
26 thorized by law; or

27 “(C) The investment of funds by a public body as authorized by law, and  
28 other financial transactions of a public body that by their character cannot  
29 practically be established under the competitive contractor selection proce-  
30 dures of ORS 279B.050 to 279B.085;

1       “(r) Contracts for employee benefit plans as provided in ORS 243.105 (1),  
2 243.125 (4), 243.221, 243.275, 243.291, 243.303 and 243.565;

3       “(s) Contracts for employee benefit plans as provided in ORS 243.860 to  
4 243.886; or

5       “(t) Any other public contracting of a public body specifically exempted  
6 from the code by another provision of law.

7       “(3) The Public Contracting Code does not apply to the contracting ac-  
8 tivities of:

9       “(a) The Oregon State Lottery Commission;

10       “(b) The legislative department;

11       “(c) The judicial department;

12       “(d) Semi-independent state agencies listed in ORS 182.454, except as  
13 provided in ORS 279.835 to 279.855 and 279A.250 to 279A.290;

14       “(e) Oregon Corrections Enterprises;

15       “(f) The Oregon Film and Video Office, except as provided in ORS  
16 279A.100 and 279A.250 to 279A.290;

17       “(g) The Travel Information Council, except as provided in ORS 279A.250  
18 to 279A.290;

19       “(h) The Oregon 529 Savings Network and the Oregon 529 Savings Board;

20       “(i) The Oregon Innovation Council;

21       “(j) The Oregon Utility Notification Center; or

22       “(k) Any other public body specifically exempted from the code by another  
23 provision of law.

24       “(4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to  
25 contracts made with qualified nonprofit agencies providing employment op-  
26 portunities for individuals with disabilities under ORS 279.835 to 279.855.

27       “**SECTION 199.** ORS 297.210 is amended to read:

28       “297.210. (1)(a) The Secretary of State, as State Auditor, shall have the  
29 accounts and financial affairs of state departments, boards, commissions, in-  
30 stitutions and state-aided institutions and agencies of the state reviewed or

1 audited as the Secretary of State considers advisable or necessary.

2 “(b) The Secretary of State, as State Auditor, may conduct performance  
3 audits of school districts and education service districts. For audits con-  
4 ducted under this paragraph:

5 “(A) The Secretary of State shall identify by rule factors and standards  
6 by which the secretary will determine whether to initiate an audit as au-  
7 thorized under this paragraph or to enter into a contract with the Depart-  
8 ment of Education to conduct an audit as provided by ORS 327.141.

9 “(B) Prior to initiating an audit, the Secretary of State shall:

10 “(i) Give notice to the school district or the education service district of  
11 the secretary’s intent to initiate the audit; and

12 “(ii) Provide the school district or the education service district with the  
13 opportunity to provide to the secretary any information related to the sub-  
14 ject of the audit.

15 “(C) Following the review of any information provided under subpara-  
16 graph (B) of this paragraph, the Secretary of State may:

17 “(i) Decline to proceed with the audit; or

18 “(ii) Cause the audit to be conducted.

19 “(D) The Secretary of State may charge a school district or an education  
20 service district for a portion of the costs incurred for an audit authorized  
21 by this paragraph. Amounts charged as provided by this subparagraph shall  
22 be in lieu of any amounts that may be charged as provided by ORS 297.230.

23 “(c) The Secretary of State, as State Auditor, may conduct audits of the  
24 use of fund transfers from the state to counties, including but not limited to  
25 transfers of video lottery revenues, state highway funds, cigarette tax reve-  
26 nues and Oregon Liquor Control **and Cannabis** Commission funds.

27 “(d) The Secretary of State may subpoena witnesses, require the pro-  
28 duction of books and papers and rendering of reports in such manner and  
29 form as the Secretary of State requires and may do all things necessary to  
30 secure a full and thorough investigation.

1       “(e) The Secretary of State shall report, in writing, to the Governor. The  
2 report shall include a copy of the report on each audit.

3       “(f) In addition to the report described in paragraph (e) of this subsection,  
4 the Secretary of State shall provide a report to a school district board or the  
5 board of directors of an education service district following an audit con-  
6 ducted as provided by paragraph (b) of this subsection.

7       “(2) The Secretary of State may audit or review any institution or de-  
8 partment of the state government at any time the executive head of the in-  
9 stitution or department, for any reason, retires from the head’s office or  
10 position. The secretary need not conduct an audit or review under this sub-  
11 section if:

12       “(a) The institution or department has been the subject of an audit or  
13 review of financial controls within the six months immediately preceding the  
14 retirement of the executive head of the institution or department; or

15       “(b) The secretary has not received a report within the 12 months imme-  
16 diately preceding the retirement of the executive head of the institution or  
17 department indicating that the executive head of the institution or depart-  
18 ment was unable or unwilling to follow state law, rules, policies or proce-  
19 dures.

20       “(3) The Secretary of State shall employ auditors upon such terms and for  
21 such compensation as the Secretary of State determines are advantageous  
22 and advisable.

23       “(4) If a person fails to comply with any subpoena issued under subsection  
24 (1) of this section, a judge of the circuit court of any county, on application  
25 of the Secretary of State, shall compel obedience by proceedings for contempt  
26 as in the case of disobedience of the requirements of a subpoena issued from  
27 the circuit court.

28       “(5) If the Secretary of State determines during the conduct of any ac-  
29 tivity authorized under this chapter that fraud or other criminal activity may  
30 be occurring or may have occurred, the secretary shall notify the appropriate

1 federal, state or local law enforcement agency of the potential fraud or other  
2 criminal activity. This subsection applies regardless of the source of any  
3 moneys that are involved or may be involved in the fraud or other criminal  
4 activity.

5 **“SECTION 200.** ORS 431A.183 is amended to read:

6 “431A.183. (1) The Oregon Health Authority shall:

7 “(a) Coordinate with law enforcement agencies to conduct random, unan-  
8 nounced inspections of wholesalers and retailers of tobacco products or  
9 inhalant delivery systems to ensure compliance with the laws of this state  
10 designed to discourage the use of tobacco products and inhalant delivery  
11 systems by minors, including ORS 163.575, 163.580, 167.400, 167.402 and  
12 431A.175; and

13 “(b) Submit a report describing:

14 “(A) The activities carried out to enforce the laws listed in paragraph (a)  
15 of this subsection during the previous fiscal year;

16 “(B) The extent of success achieved in reducing the availability of tobacco  
17 products and inhalant delivery systems to minors; and

18 “(C) The strategies to be utilized for enforcing the laws listed in para-  
19 graph (a) of this subsection during the year following the report.

20 “(2) The authority shall adopt rules concerning random inspections of  
21 places that distribute or sell tobacco products or inhalant delivery systems  
22 that are consistent with any federal law or regulation relating to the in-  
23 spection of such places. The rules shall provide that inspections may take  
24 place:

25 “(a) Only in areas open to the public;

26 “(b) Only during the hours that tobacco products or inhalant delivery  
27 systems are distributed or sold; and

28 “(c) No more frequently than once a month in any single establishment  
29 unless a compliance problem exists or is suspected.

30 “(3) The Oregon Liquor Control **and Cannabis** Commission, pursuant to

1 an agreement or otherwise, may assist the authority with the authority's  
2 duties under subsection (1)(a) of this section and the enforcement of ORS  
3 431A.175.

4 **SECTION 201.** ORS 459.992 is amended to read:

5 "459.992. (1) The following are Class A misdemeanors:

6 "(a) Violation of rules or ordinances adopted under ORS 459.005 to 459.105  
7 and 459.205 to 459.385.

8 "(b) Violation of ORS 459.205.

9 "(c) Violation of ORS 459.270.

10 "(d) Violation of ORS 459A.080.

11 "(e) Violation of ORS 459.272.

12 "(2) Each day a violation referred to by subsection (1) of this section  
13 continues constitutes a separate offense. Such separate offenses may be  
14 joined in one indictment or complaint or information in several counts.

15 "(3) Violation of ORS 459A.705, 459A.710, 459A.718 (5) or 459A.720 is a  
16 Class A misdemeanor.

17 "(4) In addition to the penalty prescribed by subsection (3) of this section,  
18 the Oregon Liquor Control **and Cannabis** Commission or the State Depart-  
19 ment of Agriculture may revoke or suspend the license of any person who  
20 willfully violates ORS 459A.705, 459A.710, 459A.718 (5) or 459A.720, who is  
21 required by ORS chapter 471 or 635, respectively, to have a license.

22 **SECTION 202.** ORS 459A.700 is amended to read:

23 "459A.700. As used in ORS 459.992 (3) and (4) and 459A.700 to 459A.740,  
24 unless the context requires otherwise:

25 "(1) 'Beverage' means a fluid described in ORS 459A.702.

26 "(2) 'Beverage container' means a container described in ORS 459A.702.

27 "(3) 'Commission' means the Oregon Liquor Control **and Cannabis** Com-  
28 mission.

29 "(4) 'Consumer' means every person who purchases a beverage in a  
30 beverage container for use or consumption.



1       “(5) ‘Dealer’ means every person in this state who engages in the sale of  
2 beverages in beverage containers to a consumer, or means a redemption  
3 center certified under ORS 459A.735.

4       “(6) ‘Distributor’ means every person who engages in the sale of beverages  
5 in beverage containers to a dealer in this state including any manufacturer  
6 who engages in such sales.

7       “(7) ‘Importer’ means any dealer or manufacturer who directly imports  
8 beverage containers into this state.

9       “(8) ‘In this state’ means within the exterior limits of the State of Oregon  
10 and includes all territory within these limits owned by or ceded to the  
11 United States of America.

12       “(9) ‘Manufacturer’ means every person bottling, canning or otherwise  
13 filling beverage containers for sale to distributors, importers or dealers.

14       “(10) ‘Place of business of a dealer’ means the location at which a dealer  
15 sells or offers for sale beverages in beverage containers to consumers.

16       “(11) ‘Use or consumption’ includes the exercise of any right or power  
17 over a beverage incident to the ownership thereof, other than the sale or the  
18 keeping or retention of a beverage for the purposes of sale.

19       “(12) ‘Water and flavored water’ means any beverage identified through  
20 the use of letters, words or symbols on its product label as a type of water.

21       “**SECTION 203.** ORS 459A.702 is amended to read:

22       “459A.702. (1) Except as provided in subsection (2) of this section, ORS  
23 459A.700 to 459A.740 apply to any individual, separate, sealed glass, metal  
24 or plastic bottle or can, except for cartons, foil pouches and drink boxes, that  
25 contains the following beverages, intended for human consumption and in a  
26 quantity less than or equal to three fluid liters:

27       “(a) Water and flavored water;

28       “(b) Beer or other malt beverages; and

29       “(c) Mineral waters, soda water and similar carbonated soft drinks.

30       “(2) One year after the date on which the Oregon Liquor Control **and**

1 **Cannabis** Commission determines that at least 60 percent of the beverage  
2 containers returned for the refund value specified in ORS 459A.705 are re-  
3 turned statewide to redemption centers approved under ORS 459A.735, or on  
4 January 1, 2018, whichever comes first, ORS 459A.700 to 459A.740 apply to  
5 any individual, separate, sealed glass, metal or plastic bottle or can, except  
6 for cartons, foil pouches, drink boxes and metal containers that require a  
7 tool to be opened, that contains:

8 “(a) The following beverages, intended for human consumption and in a  
9 quantity less than or equal to three fluid liters:

10 “(A) Water and flavored water;

11 “(B) Beer or other malt beverages; and

12 “(C) Mineral waters, soda water and similar carbonated soft drinks.

13 “(b) Any beverage other than those specified in paragraph (a) of this  
14 subsection that is intended for human consumption and is in a quantity more  
15 than or equal to four fluid ounces and less than or equal to one and one-half  
16 fluid liters, except distilled liquor, wine, dairy or plant-based milks, infant  
17 formula and any other exemptions set forth in rule of the Oregon Liquor  
18 Control **and Cannabis** Commission.

19 “**SECTION 204.** ORS 459A.705 is amended to read:

20 “459A.705. (1) Except as provided in subsections (2) and (3) of this section,  
21 every beverage container sold or offered for sale in this state shall have a  
22 refund value of not less than five cents.

23 “(2)(a) Every beverage container sold or offered for sale in this state shall  
24 have a refund value of not less than 10 cents, beginning on the later of:

25 “(A) Eight months after the Oregon Liquor Control **and Cannabis** Com-  
26 mission determines that, in each of the two previous calendar years, the  
27 number of beverage containers returned for the refund value specified in this  
28 section was less than 80 percent of the total number of beverage containers  
29 that were sold in this state; or

30 “(B) January 1 of the calendar year following the determination by the

1 commission described in subparagraph (A) of this paragraph.

2 “(b) The commission may not make a determination under this subsection  
3 before January 1, 2016.

4 “(c) In making a determination under this subsection, the commission may  
5 not include the beverage containers and beverages described in ORS 459A.702  
6 (2)(b) before January 1, 2021.

7 “(3) Every beverage container certified as provided in ORS 459A.725, sold  
8 or offered for sale in this state, shall have a refund value of not less than  
9 two cents.

10 **“SECTION 205.** ORS 459A.715 is amended to read:

11 “459A.715. (1) A dealer may refuse to accept from any person, and a dis-  
12 tributor or importer may refuse to accept from a dealer, any empty beverage  
13 container that does not state thereon a refund value as established by ORS  
14 459A.705.

15 “(2) A dealer may refuse to accept and to pay the refund value of:

16 “(a) Empty beverage containers if the place of business of the dealer and  
17 the kind of empty beverage containers are included in an order of the Oregon  
18 Liquor Control **and Cannabis** Commission approving a redemption center  
19 under ORS 459A.735.

20 “(b) Any beverage container visibly containing or contaminated by a  
21 substance other than water, residue of the original contents or ordinary dust.

22 “(c)(A) More than 144 individual beverage containers returned by any one  
23 person during one day, if the dealer occupies a space of 5,000 or more square  
24 feet in a single area.

25 “(B) More than 50 individual beverage containers returned by any one  
26 person during one day, if the dealer occupies a space of less than 5,000  
27 square feet in a single area.

28 “(d) Any beverage container that is damaged to the extent that the brand  
29 appearing on the container cannot be identified.

30 “(3)(a) In order to refuse containers under subsection (2)(b), (c)(A) or (d)

1 of this section, if a dealer occupies a space of 5,000 or more square feet in  
2 a single area, the dealer must post in each area where containers are re-  
3 ceived a clearly visible and legible sign containing the following information:

4 “

---

5 NOTICE:

6  
7 Oregon Law allows a dealer to refuse to accept:

8 “1. Beverage containers visibly containing or contaminated by a sub-  
9 stance other than water, residue of the original contents or ordinary dust;

10 “2. More than 144 individual beverage containers from any one person  
11 during one day; or

12 “3. Beverage containers that are damaged to the extent that the brand  
13 appearing on the container cannot be identified.

14 “

---

15 “(b) In order to refuse containers under subsection (2)(b), (c)(B) or (d) of  
16 this section, if a dealer occupies a space of less than 5,000 square feet in a  
17 single area, the dealer must post in each area where containers are received  
18 a clearly visible and legible sign containing the following information:

19 “

---

20 NOTICE:

21  
22 Oregon Law allows a dealer to refuse to accept:

23 “1. Beverage containers visibly containing or contaminated by a sub-  
24 stance other than water, residue of the original contents or ordinary dust;

25 “2. More than 50 individual beverage containers from any one person  
26 during one day; or

27 “3. Beverage containers that are damaged to the extent that the brand  
28 appearing on the container cannot be identified.

29 “

---

30 **“SECTION 206.** ORS 459A.717 is amended to read:

1       “459A.717. (1) The Oregon Liquor Control **and Cannabis** Commission may  
2 impose a civil penalty of at least \$50, but not more than \$500, for a violation  
3 of any provision of ORS 459A.700 to 459A.740. Each day a violation occurs  
4 constitutes a separate violation. The authority to impose a civil penalty un-  
5 der this section is in addition to and not in lieu of the revocation and sus-  
6 pension authority under ORS 459.992 (4) and the criminal penalty authorized  
7 by ORS 459.992.

8       “(2) Notwithstanding subsection (1) of this section, if a dealer, as defined  
9 in ORS 459A.700, violates a provision of ORS 459A.738, the commission shall  
10 provide the dealer with written notice informing the dealer of the violation  
11 and stating that the dealer may avoid civil penalty for the violation by cur-  
12 ing the violation within 60 days after issuance of the notice. If the dealer  
13 fails to cure the violation within 60 days after issuance of the notice, the  
14 commission shall impose a civil penalty of at least \$200 for the violation.  
15 Each day after the 60-day period that the dealer continues to violate a pro-  
16 vision of ORS 459A.738 is a separate offense subject to a separate civil pen-  
17 alty. The commission is not required to provide the dealer with an  
18 opportunity to cure a continuing violation before imposing a civil penalty  
19 for the continuing violation.

20       “(3) Civil penalties under this section shall be imposed as provided in  
21 ORS 183.745.

22       “(4) All penalties recovered under this section shall be paid into the State  
23 Treasury and credited to the General Fund and are available for general  
24 governmental expenses.

25       “**SECTION 207.** ORS 459A.718 is amended to read:

26       “459A.718. (1) Two or more distributors or importers may establish a dis-  
27 tributor cooperative for the purposes of:

28       “(a) Collecting the refund value of beverage containers specified in ORS  
29 459A.705 from distributors or importers and refunding to dealers the amount  
30 the dealers paid for the refund value of empty beverage containers;

1       “(b) Paying the refund value specified in ORS 459A.705 for beverage con-  
2 tainers sold in this state; and

3       “(c) Processing beverage containers sold in this state.

4       “(2) A distributor cooperative established under this section must service  
5 a majority of the dealers in this state.

6       “(3) If a distributor cooperative is established, a dealer that uses the dis-  
7 tributor cooperative to redeem and process beverage containers sold in this  
8 state is not required to return beverage containers to a distributor or  
9 importer that does not participate in the distributor cooperative, provided  
10 that the dealer or the distributor cooperative provides an accounting to the  
11 distributor or importer of the beverage containers by brand and kind that  
12 were distributed by the distributor or importer and subsequently redeemed  
13 by the dealer or distributor cooperative.

14       “(4) Upon receipt of the accounting required by subsection (3) of this  
15 section, a distributor or importer that does not participate in the distributor  
16 cooperative must pay the refund value of the redeemed beverage containers  
17 specified in the accounting to the dealer or distributor cooperative that  
18 provided the accounting.

19       “(5)(a) For purposes of this subsection, beverage container return data is  
20 the number of beverage containers returned for the refund value specified in  
21 ORS 459A.705 in Oregon during the calendar year and the number of  
22 beverage containers that carry a refund value specified in ORS 459A.705 sold  
23 in Oregon during the calendar year, calculated separately.

24       “(b) By July 1 of each calendar year, a distributor cooperative shall pro-  
25 vide the Oregon Liquor Control **and Cannabis** Commission with a report  
26 that lists, in aggregate form for all distributors and importers that partic-  
27 ipate in the distributor cooperative, the previous calendar year’s beverage  
28 container return data, calculated separately for glass, metal and plastic  
29 beverage containers.

30       “(c) By July 1 of each calendar year, a distributor or importer that does

1 not participate in a distributor cooperative shall provide the commission  
2 with a report that lists the distributor's or the importer's beverage container  
3 return data for the previous calendar year, calculated separately for glass,  
4 metal and plastic beverage containers.

5 “(6)(a) By August 1 of each calendar year, using the beverage container  
6 return data provided in subsection (5)(b) of this section, the Oregon Liquor  
7 Control **and Cannabis** Commission shall calculate the previous calendar  
8 year's percentage of beverage containers returned for the refund value spec-  
9 ified in ORS 459A.705 for each distributor cooperative. The commission shall  
10 carry out the calculation separately for glass, metal and plastic beverage  
11 containers and shall post the percentages on the commission's website.

12 “(b) By August 1 of each calendar year, using the beverage container re-  
13 turn data provided in subsection (5)(c) of this section, the commission shall  
14 calculate the previous calendar year's percentage of beverage containers re-  
15 turned for the refund value specified in ORS 459A.705 for each distributor  
16 or importer that does not participate in a distributor cooperative. The com-  
17 mission shall carry out the calculation separately for glass, metal and plastic  
18 beverage containers and shall post the percentages on the commission's  
19 website.

20 “(c) By August 1 of each calendar year, using the beverage container re-  
21 turn data provided in subsection (5)(b) and (c) of this section, the commission  
22 shall calculate the previous calendar year's percentage of beverage contain-  
23 ers returned for the refund value specified in ORS 459A.705 for all distribu-  
24 tors and importers in Oregon. The commission shall carry out the calculation  
25 for all beverage containers, and separately for glass, metal and plastic  
26 beverage containers, and shall post the percentages on the commission's  
27 website.

28 “(d) Except for the percentages described in paragraphs (a) to (c) of this  
29 subsection or in a proceeding under ORS 459A.717 for a violation of sub-  
30 section (5) of this section, the commission may not disclose any information

1 provided by a distributor, an importer or a distributor cooperative under  
2 subsection (5) of this section.

3 “(7)(a) In order to determine compliance with the provisions of subsection  
4 (5) of this section, within six months of the date that the commission re-  
5 ceives a report described in subsection (5)(b) and (c) of this section, the  
6 commission may review or audit the records of each reporting distributor  
7 cooperative, or each reporting distributor or importer that does not partic-  
8 ipate in a distributor cooperative.

9 “(b)(A) If in the course of a review described in paragraph (a) of this  
10 subsection the commission determines that an audit of a distributor cooper-  
11 ative, distributor or importer is necessary, the commission shall require the  
12 distributor cooperative, distributor or importer to retain an independent fi-  
13 nancial audit firm to determine the accuracy of information contained in the  
14 report. The distributor cooperative, distributor or importer that is the sub-  
15 ject of review shall pay the costs of the audit. The audit must be limited to  
16 the records described in paragraph (a) of this subsection.

17 “(B) The commission shall adopt rules to carry out the provisions of this  
18 paragraph.

19 “**SECTION 208.** ORS 459A.725 is amended to read:

20 “459A.725. (1) To promote the use in this state of reusable beverage con-  
21 tainers of uniform design, and to facilitate the return of containers to man-  
22 ufacturers for reuse as a beverage container, the Oregon Liquor Control **and**  
23 **Cannabis** Commission may certify beverage containers which satisfy the re-  
24 quirements of this section.

25 “(2) A beverage container may be certified if:

26 “(a) It is reusable as a beverage container by more than one manufacturer  
27 in the ordinary course of business; and

28 “(b) More than one manufacturer will in the ordinary course of business  
29 accept the beverage container for reuse as a beverage container and pay the  
30 refund value of the container.



1       “(3) The commission may by rule establish appropriate liquid capacities  
2 and shapes for beverage containers to be certified or decertified in accord-  
3 ance with the purposes set forth in subsection (1) of this section.

4       “(4) A beverage container shall not be certified under this section if by  
5 reason of its shape or design, or by reason of words or symbols permanently  
6 inscribed thereon, whether by engraving, embossing, painting or other per-  
7 manent method, it is reusable as a beverage container in the ordinary course  
8 of business only by a manufacturer of a beverage sold under a specific brand  
9 name.

10       “**SECTION 209.** ORS 459A.730 is amended to read:

11       “459A.730. (1) Unless an application for certification under ORS 459A.725  
12 is denied by the Oregon Liquor Control **and Cannabis** Commission within  
13 60 days after the filing of the application, the beverage container shall be  
14 deemed certified.

15       “(2) The commission may review at any time certification of a beverage  
16 container. If after such review, with written notice and hearing afforded to  
17 the person who filed the application for certification under ORS 459A.725,  
18 the commission determines the container is no longer qualified for certifica-  
19 tion, it shall withdraw certification.

20       “(3) Withdrawal of certification shall be effective not less than 30 days  
21 after written notice to the person who filed the application for certification  
22 under ORS 459A.725 and to the manufacturers referred to in ORS 459A.725  
23 (2).

24       “**SECTION 210.** ORS 459A.735 is amended to read:

25       “459A.735. (1) To facilitate the return of empty beverage containers and  
26 to serve dealers of beverages, any person may establish a redemption center,  
27 subject to the approval of the Oregon Liquor Control **and Cannabis** Com-  
28 mission, at which any person may return empty beverage containers and re-  
29 ceive payment of the refund value of such beverage containers.

30       “(2) Application for approval of a redemption center shall be filed with

1 the commission. The application shall state the name and address of the  
2 person responsible for the establishment and operation of the redemption  
3 center, the kind of beverage containers that will be accepted at the redemp-  
4 tion center, the names and addresses of the dealers to be served by the re-  
5 demption center and proposals for up to two convenience zones described in  
6 ORS 459A.738. The application shall include such additional information as  
7 the commission may require.

8 “(3) The commission shall approve a redemption center if it finds the re-  
9 demption center will provide a convenient service to persons for the return  
10 of empty beverage containers. The order of the commission approving a re-  
11 demption center shall state:

12 “(a) The location of the convenience zones specified by the commission  
13 under ORS 459A.738 (1);

14 “(b) The dealers within the convenience zones to be served by the re-  
15 demption center;

16 “(c) The dealers within the convenience zones not to be served by or not  
17 participating in the redemption center;

18 “(d) The services to be provided by the redemption center and the equiv-  
19 alent services required to be provided under ORS 459A.738 (5) by a dealer  
20 that does not participate in, and is not served by, the redemption center;

21 “(e) The kind of empty beverage containers that the redemption center  
22 must accept; and

23 “(f) Such other provisions to ensure the redemption center will provide  
24 a convenient service to the public as the commission may determine.

25 “(4)(a) No later than five days after approving a redemption center under  
26 subsection (3) of this section, the commission shall provide written notice to  
27 each dealer that is identified in the order approving the redemption center  
28 as a dealer within the convenience zones not to be served by or not partic-  
29 ipating in the redemption center.

30 “(b) The notice required under this subsection shall include:

1       “(A) All information required to be in the order approving the redemption  
2 center under subsection (3) of this section; and

3       “(B) Notice of the provisions of ORS 459A.738 that are applicable to the  
4 dealer receiving the notice.

5       “(5) The commission may review at any time approval of a redemption  
6 center. After written notice to the person responsible for the establishment  
7 and operation of the redemption center, and to the dealers served by the re-  
8 demption center, the commission may, after hearing, withdraw approval of  
9 a redemption center if the commission finds there has not been compliance  
10 with its order approving the redemption center, or if the redemption center  
11 no longer provides a convenient service to the public.

12       “**SECTION 211.** ORS 459A.737 is amended to read:

13       “459A.737. (1) Pursuant to the provisions of ORS 459A.735, the Oregon  
14 Liquor Control **and Cannabis** Commission:

15       “(a) Shall approve one beverage container redemption center in a city  
16 having a population of less than 300,000, operated by a distributor cooper-  
17 ative serving a majority of the dealers in this state; and

18       “(b) May approve one or more additional beverage container redemption  
19 centers.

20       “(2) Notwithstanding any other provision of ORS 459A.700 to 459A.740, a  
21 beverage container redemption center:

22       “(a) May not refuse to accept and to pay the refund value of up to 350  
23 individual empty beverage containers, as established by ORS 459A.705, re-  
24 turned by any one person during one day;

25       “(b) Must provide hand counting of up to 50 individual empty beverage  
26 containers returned by any one person during one day for the refund value  
27 established by ORS 459A.705;

28       “(c) May provide drop off service for at least 125 individual empty  
29 beverage containers returned by any one person during one day for the re-  
30 fund value established by ORS 459A.705, and may provide an accounting

1 mechanism by which the person may redeem the refund value of the beverage  
2 containers at a later date; and

3 “(d) May provide other services as determined necessary by the person  
4 responsible for the operation of the beverage container redemption center.

5 “(3) The commission may adopt all rules necessary to implement and ad-  
6 minister the provisions of this section and ORS 459A.738.

7 **“SECTION 212.** ORS 459A.738 is amended to read:

8 “459A.738. (1) For each beverage container redemption center, the Oregon  
9 Liquor Control **and Cannabis** Commission shall specify up to two conven-  
10 ience zones. The first convenience zone shall be the sector within a radius  
11 of not more than two miles around the beverage container redemption center.  
12 The second convenience zone shall be the sector beginning at the border of  
13 the first convenience zone and continuing to a radius of not more than three  
14 and one-half miles around the beverage container redemption center. The  
15 convenience zones shall be based to the greatest extent practicable upon the  
16 proposals submitted as part of the application for approval of the redemption  
17 center under ORS 459A.735.

18 “(2) All dealers doing business within the first convenience zone that oc-  
19 cupy a space of 5,000 or more square feet in a single area may participate  
20 in, be served by and be charged the cost of participation in the beverage  
21 container redemption center and, if such a dealer participates in, is served  
22 by and pays the cost of participation in the redemption center, the dealer  
23 may, notwithstanding any other provision of ORS 459A.700 to 459A.740, re-  
24 fuse to accept and to pay the refund value of empty beverage containers.

25 “(3) All dealers doing business within the second convenience zone that  
26 occupy a space of 5,000 or more square feet in a single area may participate  
27 in, be served by and be charged the cost of participation in the beverage  
28 container redemption center and, if such a dealer participates in, is served  
29 by and pays the cost of participation in the redemption center, the dealer  
30 may, notwithstanding any other provision of ORS 459A.700 to 459A.740, re-

1 fuse to accept and to pay the refund value of more than 24 individual empty  
2 beverage containers returned by any one person during one day.

3 “(4) All dealers doing business within either convenience zone that occupy  
4 a space of less than 5,000 square feet in a single area may, notwithstanding  
5 any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay  
6 the refund value of more than 24 individual empty beverage containers re-  
7 turned by any one person during one day.

8 “(5)(a) Any dealer doing business in either convenience zone that occupies  
9 a space of 5,000 or more square feet in a single area that does not participate  
10 in, and is not served by, the beverage container redemption center may not  
11 refuse to accept and to pay the refund value of up to 350 individual empty  
12 beverage containers, as established by ORS 459A.705, returned by any one  
13 person during one day and must, beginning on the date that the redemption  
14 center begins accepting beverage containers, provide services equivalent to  
15 those provided by the redemption center under ORS 459A.737 (2), including  
16 hand counting and drop off service.

17 “(b) In addition to complying with the requirements specified in para-  
18 graph (a) of this subsection, a dealer described in paragraph (a) of this sub-  
19 section must:

20 “(A) Post in each area where beverage containers are received a clearly  
21 visible and legible sign that contains the list of services that must be pro-  
22 vided by the dealer; and

23 “(B) Provide two automated reverse vending machines capable of pro-  
24 cessing metal, plastic and glass beverage containers, or one automated re-  
25 verse vending machine capable of processing metal, plastic and glass  
26 beverage containers for each 500,000 beverage containers sold by the dealer  
27 in the previous calendar year, whichever is greater.

28 “(c)(A) The provisions of paragraphs (a) and (b) of this subsection do not  
29 apply to a dealer described in paragraph (a) of this subsection if the dealer  
30 sold fewer than 100,000 beverage containers in the previous calendar year.

1 To be eligible for the exemption under this paragraph, a dealer described in  
2 paragraph (a) of this subsection must report to the commission the number  
3 of beverage containers sold by the dealer in the previous calendar year.

4 “(B) The report required under this paragraph must be submitted by a  
5 dealer:

6 “(i) Except as provided in subsection (6) of this section, no later than 60  
7 days after issuance of the notice required under ORS 459A.735 (4); and

8 “(ii) No later than January 1 of each calendar year following the year  
9 that the notice under ORS 459A.735 (4) was issued and for which the dealer  
10 intends to claim the exemption.

11 “(d) The commission shall ensure compliance with this subsection by a  
12 dealer described in paragraph (a) of this subsection that is not subject to an  
13 exemption under paragraph (c) of this subsection.

14 “(6) A dealer that plans to begin doing business in either convenience  
15 zone after the date that the beverage container redemption center associated  
16 with the convenience zone begins accepting beverage containers shall, not  
17 less than 60 days prior to the date that the dealer begins doing business:

18 “(a) Provide notice to the commission explaining whether the dealer will  
19 or will not participate in, be served by and pay the cost of participation in  
20 the redemption center; and

21 “(b) If the dealer will not participate in the redemption center and will  
22 claim an exemption under subsection (5)(c) of this section, provide doc-  
23 umentation of compliance with the requirements for nonparticipating dealers  
24 under this section and an estimate of the number of beverage containers that  
25 the dealer expects to sell during the first calendar year that the dealer does  
26 business in the convenience zone.

27 “(7) The provisions of subsections (2) to (6) of this section do not apply  
28 to any dealer for which the driving distance from the place of business of  
29 the dealer to the beverage container redemption center, calculated using the  
30 shortest route, is more than two times the radius specified for the second

1 convenience zone or, if only one convenience zone is specified by the com-  
2 mission, two times the radius specified for that convenience zone.

3 “(8) Not more than 60 days after issuance of notice from the commission  
4 under ORS 459A.735 (4), a dealer shall provide the commission with written  
5 documentation confirming compliance with each of the requirements of this  
6 section that are applicable to the dealer receiving notice.

7 “**SECTION 213.** ORS 459A.739 is amended to read:

8 “459A.739. In addition to the authority granted under ORS 459.992, in-  
9 spectors and investigators employed by the Oregon Liquor Control **and**  
10 **Cannabis** Commission have authority to inspect any space occupied by a  
11 dealer, as defined in ORS 459A.700, for compliance with ORS 459A.738.

12 “**SECTION 214.** ORS 461.217 is amended to read:

13 “461.217. (1) As used in this section, ‘video lottery game retailer’ means  
14 a contractor under contract with the Oregon State Lottery to place video  
15 lottery game terminals on premises authorized by the contract.

16 “(2) A video lottery game terminal that offers a video lottery game au-  
17 thorized by the Director of the Oregon State Lottery:

18 “(a) May be placed for operation only in or on the premises of an estab-  
19 lishment that has a contract with the Oregon State Lottery as a video lottery  
20 game retailer.

21 “(b) Must be within the control of an employee of the video lottery game  
22 retailer.

23 “(c) May not be placed in any other business or location.

24 “(3) A video lottery game terminal may be placed only on the premises  
25 of an establishment licensed by the Oregon Liquor Control **and Cannabis**  
26 Commission with a full on-premises sales license, a limited on-premises sales  
27 license or a brewery-public house license. A video lottery game terminal may  
28 be placed only in that part of the premises that is posted by the Oregon Li-  
29 quor Control **and Cannabis** Commission as being closed to minors. In addi-  
30 tion to the requirements of this subsection, the director may by rule

1 establish other criteria and conditions as the director determines appropriate  
2 for the placement of video lottery game terminals in establishments.

3 “(4) No more than six video lottery game terminals may be placed in or  
4 on premises described in subsection (3) of this section.

5 “(5) No more than 10 video lottery game terminals may be placed in or  
6 on the premises of a race meet licensee licensed under ORS 462.020 that  
7 qualifies as a video lottery game retailer.

8 **“SECTION 215.** ORS 471.001, as amended by section 19, chapter 24,  
9 Oregon Laws 2016, is amended to read:

10 “471.001. As used in this chapter and ORS chapter 473:

11 “(1) ‘Alcoholic beverage’ and ‘alcoholic liquor’ mean any liquid or solid  
12 containing more than one-half of one percent alcohol by volume and capable  
13 of being consumed by a human being.

14 “(2) ‘Commercial establishment’ means a place of business:

15 “(a) Where food is cooked and served;

16 “(b) That has kitchen facilities adequate for the preparation and serving  
17 of meals;

18 “(c) That has dining facilities adequate for the serving and consumption  
19 of meals; and

20 “(d) That:

21 “(A) If not a for-profit private club, serves meals to the general public;  
22 or

23 “(B) If a for-profit private club, serves meals to the club’s members and  
24 guests and complies with any minimum membership and food service re-  
25 quirements established by Oregon Liquor Control **and Cannabis** Commission  
26 rules.

27 “(3) ‘Commission’ means the Oregon Liquor Control **and Cannabis** Com-  
28 mission.

29 “(4) ‘Distilled liquor’ means any alcoholic beverage other than a wine,  
30 cider or malt beverage. ‘Distilled liquor’ includes distilled spirits.



1       “(5) ‘Licensee’ means any person holding a license issued under this  
2 chapter.

3       “(6)(a) ‘Malt beverage’ means an alcoholic beverage obtained by the  
4 fermentation of grain that contains not more than 14 percent alcohol by  
5 volume.

6       “(b) ‘Malt beverage’ includes:

7       “(A) Beer, ale, porter, stout and similar alcoholic beverages containing  
8 not more than 14 percent alcohol by volume;

9       “(B) Malt beverages containing six percent or less alcohol by volume and  
10 that contain at least 51 percent alcohol by volume obtained by the  
11 fermentation of grain, as long as not more than 49 percent of the beverage’s  
12 overall alcohol content is obtained from flavors and other added nonbeverage  
13 ingredients containing alcohol; and

14       “(C) Malt beverages containing more than six percent alcohol by volume  
15 that derive not more than 1.5 percent of the beverage’s overall alcohol con-  
16 tent by volume from flavors and other added nonbeverage ingredients con-  
17 taining alcohol.

18       “(c) ‘Malt beverage’ does not include cider or an alcoholic beverage ob-  
19 tained primarily by fermentation of rice, such as sake.

20       “(7) ‘Manufacturer’ means every person who produces, brews, ferments,  
21 manufactures or blends an alcoholic beverage within this state or who im-  
22 ports or causes to be imported into this state an alcoholic beverage for sale  
23 or distribution within the state.

24       “(8) ‘Permittee’ means a person holding a permit issued under ORS 471.360  
25 to 471.390.

26       “(9) ‘Premises’ or ‘licensed premises’ means a location licensed under this  
27 chapter and includes all enclosed areas at the location that are used in the  
28 business operated at the location, including offices, kitchens, rest rooms and  
29 storerooms, including all public and private areas where patrons are per-  
30 mitted to be present. ‘Premises’ or ‘licensed premises’ includes areas outside

1 of a building that the commission has specifically designated as approved for  
2 alcoholic beverage service or consumption.

3 “(10) ‘Regulatory specialist’ means a full-time employee of the commission  
4 who is authorized to act as an agent of the commission in conducting in-  
5 spections or investigations, making arrests and seizures, aiding in prose-  
6 cutions for offenses, issuing citations for violations and otherwise enforcing  
7 this chapter, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.395, 475B.550  
8 to 475B.590 and 475B.600 to 475B.655, commission rules and any other stat-  
9 utes the commission considers related to regulating liquor, marijuana or  
10 marijuana-derived products.

11 “(11) ‘Wine’ means any fermented vinous liquor or fruit juice, or other  
12 fermented beverage fit for beverage purposes that is not a malt beverage,  
13 containing more than one-half of one percent of alcohol by volume and not  
14 more than 21 percent of alcohol by volume. ‘Wine’ includes fortified wine.  
15 ‘Wine’ does not include cider.

16 “**SECTION 216.** ORS 471.038 is amended to read:

17 “471.038. (1) Nonbeverage food products described in subsection (6) of this  
18 section may be sold at retail by any holder of a license issued by the Oregon  
19 Liquor Control **and Cannabis** Commission that authorizes the sale of alco-  
20 holic liquor at retail, or in any store operated by the commission under the  
21 provisions of ORS 471.750. Any nonbeverage food product containing more  
22 than one-half of one percent of alcohol by volume must be clearly labeled to  
23 reflect the alcohol content of the product and clearly labeled on the front  
24 of the package to indicate that the product may not be sold to persons under  
25 21 years of age.

26 “(2) Except as provided by this section, sales of nonbeverage food products  
27 described in subsection (6) of this section are subject to all provisions of this  
28 chapter, including the prohibitions on sales to persons under 21 years of age  
29 and the prohibitions on sales to persons who are visibly intoxicated.

30 “(3) Nonbeverage food products described in subsection (6) of this section

1 may be imported, stored and distributed in this state without a license issued  
2 by the commission. Nonbeverage food products described in subsection (6)  
3 of this section are not subject to the privilege taxes imposed by ORS chapter  
4 473.

5 “(4) Manufacturers of nonbeverage food products described in subsection  
6 (6) of this section are not subject to the provisions of ORS 471.392 to 471.400,  
7 471.485, 471.490 or 471.495 or any other provision of this chapter relating to  
8 manufacturers of alcoholic liquor. A manufacturer of nonbeverage food pro-  
9 ducts described in subsection (6) of this section may sell and deliver the  
10 product directly to a licensee authorized under this section to sell the prod-  
11 uct at retail.

12 “(5) The holder of a distillery license issued under ORS 471.230 who is  
13 also a manufacturer of nonbeverage food products described in subsection (6)  
14 of this section may purchase distilled liquor directly from other distilleries.

15 “(6) The provisions of this section apply only to nonbeverage food pro-  
16 ducts that contain not more than five percent alcohol by weight or 10 per-  
17 cent alcohol by volume, whichever is greater.

18 **“SECTION 217.** ORS 471.039 is amended to read:

19 “471.039. (1) Notwithstanding any provision of this chapter, the Oregon  
20 Liquor Control **and Cannabis** Commission may not require the owners, op-  
21 erators and employees of a cruise ship to have a license or permit issued  
22 under the provisions of this chapter for the purpose of possessing, trans-  
23 porting, storing, selling or serving alcoholic beverages that are described in  
24 subsection (3) of this section.

25 “(2) The provisions of ORS 471.740 do not apply to alcoholic beverages  
26 that are described in subsection (3) of this section.

27 “(3) The provisions of this section apply only to alcoholic beverages that  
28 are served aboard a cruise ship and that are served solely for the purpose  
29 of onboard consumption by a cruise ship’s passengers, guests, officers and  
30 employees.

1       “(4) For the purposes of this section, ‘cruise ship’ means a marine vessel  
2 used primarily for nonfishing purposes that is licensed to carry at least 500  
3 passengers, provides overnight accommodations for those passengers and op-  
4 erates on the rivers or waterways within the boundaries of the State of  
5 Oregon, including docking and dry docking, fewer than 45 days during a  
6 calendar year.

7       “**SECTION 218.** ORS 471.040 is amended to read:

8       “471.040. (1) The Oregon Liquor Control **and Cannabis** Commission has  
9 the powers and duties specified in this chapter and ORS 474.105 and 474.115,  
10 and also the powers necessary or proper to enable it to carry out fully and  
11 effectually all the purposes of this chapter and ORS 474.105 and 474.115. It  
12 shall make such rules and regulations pertaining to natural and fortified  
13 wines as will prevent the importation and sale in Oregon of blended, recti-  
14 fied, adulterated or low-quality wines. The jurisdiction, supervision, powers  
15 and duties of the commission extend to any person who buys, sells, manu-  
16 factures, imports or transports any alcoholic liquor within this state. The  
17 commission may sue and be sued.

18       “(2) Except for the power to adopt rules, the commission may delegate any  
19 of the commission’s powers or duties to the administrator appointed under  
20 ORS 471.720.

21       “**SECTION 219.** ORS 471.105 is amended to read:

22       “471.105. Before being qualified to purchase alcoholic liquor from the  
23 Oregon Liquor Control **and Cannabis** Commission, a person must be at least  
24 21 years of age.

25       “**SECTION 220.** ORS 471.115 is amended to read:

26       “471.115. The Oregon Liquor Control **and Cannabis** Commission may  
27 limit the quantity of alcoholic liquor purchased at any one time by any  
28 person. It may limit the amount of purchases within any length of time so  
29 as effectually to prevent the resale of such liquors.

30       “**SECTION 221.** ORS 471.130 is amended to read:

1 "471.130. (1) All licensees and permittees of the Oregon Liquor Control  
2 **and Cannabis** Commission, before selling or serving alcoholic liquor to any  
3 person about whom there is any reasonable doubt of the person's having  
4 reached 21 years of age, shall require such person to produce one of the  
5 following pieces of identification:

6 "(a) The person's passport.

7 "(b) The person's motor vehicle operator's license, whether issued in this  
8 state or by any other state, so long as the license has a picture of the person.

9 "(c) An identification card issued under ORS 807.400.

10 "(d) A United States military identification card.

11 "(e) Any other identification card issued by a state that bears a picture  
12 of the person, the name of the person, the person's date of birth and a  
13 physical description of the person.

14 "(2) If a person does not have identification as described in subsection (1)  
15 of this section, the permittee or licensee shall require such person to make  
16 a written statement of age and furnish evidence of the person's true age and  
17 identity. The written statement of age shall be on a form furnished or ap-  
18 proved by the commission, including but not limited to the following infor-  
19 mation:

20 " \_\_\_\_\_

21 "Date \_\_\_\_\_

22 I am 21 years of age or over. \_\_\_\_\_

23 "Signature \_\_\_\_\_

24 Description of evidence in support of age and identity:

25 \_\_\_\_\_ Identification No. (if any) \_\_\_\_\_

26 \_\_\_\_\_ Identification No. (if any) \_\_\_\_\_

27 "(Fill in information pertaining to any two or more pieces of evidence submitted by the person.)

28 "I hereby certify that I have accurately recorded identification of the evidence submitted to  
29 complete this form.

30 " \_\_\_\_\_

1 "Signature of permittee or licensee

2 ORS 165.805 provides as follows:

3 "165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

4 "(a) Being less than a certain, specified age, the person knowingly purports to be of any age  
5 other than the person's true age with the intent of securing a right, benefit or privilege which by  
6 law is denied to persons under that certain, specified age; or

7 "(b) (Not applicable.)

8 "(2) Misrepresentation of age by a minor is a Class C misdemeanor.

9 "

10 "**SECTION 222.** ORS 471.155 is amended to read:

11 "471.155. (1) The Oregon Liquor Control **and Cannabis** Commission shall  
12 provide for the licensing of persons and cities within the state to manufac-  
13 ture, distribute, take orders for and sell spirits, wines, beer and other alco-  
14 holic liquors. Except as provided in subsection (2) of this section, the holder  
15 of a brewery, winery, wholesale, warehouse, grower sales privilege or  
16 brewery-public house license or the holder of a wine self-distribution permit  
17 shall give, and at all times maintain on file with the commission, a bond  
18 with a corporate surety authorized to transact business in this state. The  
19 bond shall be in form and amount acceptable to the commission, shall be  
20 payable to the commission and conditioned that the licensee or permittee  
21 will pay any fine imposed for any violation of any provision of the Liquor  
22 Control Act and that the licensee or permittee will pay all license fees,  
23 privilege taxes, taxes imposed under ORS 473.045 and other taxes on alco-  
24 holic liquors, together with penalties and interest thereon, levied or assessed  
25 against the licensee or permittee under statutes relating to the importation,  
26 manufacture, distribution, sale or taxation of alcoholic liquors in the State  
27 of Oregon.

28 "(2) Under such conditions as the commission may prescribe, the holder  
29 of a brewery, winery, wholesale, warehouse, grower sales privilege or  
30 brewery-public house license or the holder of a wine self-distribution permit

1 may deposit, in lieu of the bond required by subsection (1) of this section,  
2 the equivalent value in cash, bank letters of credit recognized by the State  
3 Treasurer or negotiable securities of a character approved by the State  
4 Treasurer. The deposit is to be made in a bank or trust company for the  
5 benefit of the commission. Interest on deposited funds or securities shall  
6 accrue to the depositor.

7 **“SECTION 223.** ORS 471.157 is amended to read:

8 “471.157. The licenses described in this chapter may be issued by the  
9 Oregon Liquor Control **and Cannabis** Commission, subject to its regulations  
10 and restrictions and the provisions of the Liquor Control Act.

11 **“SECTION 224.** ORS 471.159 is amended to read:

12 “471.159. (1) The Oregon Liquor Control **and Cannabis** Commission may  
13 not license a location that does not have defined boundaries.

14 “(2) A licensed premises need not be enclosed by a wall, fence or other  
15 structure, but the commission may require that any licensed premises be  
16 enclosed as a condition of issuing or renewing a license.

17 “(3) Except as provided in ORS 471.182, the commission may not license  
18 premises that are mobile.

19 **“SECTION 225.** ORS 471.162 is amended to read:

20 “471.162. (1) Hospitals, sanitariums, convalescent homes, rest homes, re-  
21 tirement homes and facilities for the care of the elderly that have been li-  
22 censed or registered by the state may sell and serve alcoholic beverages to  
23 patients, inmates and residents, and to bona fide visitors and guests of pa-  
24 tients, inmates and residents, without a license issued under this chapter.  
25 Facilities authorized to sell and serve alcoholic beverages without a license  
26 under this subsection may not sell or serve alcoholic beverages after 10 p.m.  
27 except upon a physician’s prescription.

28 “(2) A person who operates a private residence that is not a boarding  
29 house but that accommodates transient guests for a limited duration may sell  
30 and serve wine, malt beverages and cider to registered overnight guests

1 without a license. Facilities authorized to sell and serve alcoholic beverages  
2 without a license under this subsection must have six or fewer guest units.

3 “(3) A person who is an employee or agent of the holder of a license is-  
4 sued under this chapter that authorizes wholesale distribution of alcoholic  
5 beverages may, on behalf of the licensee, sell alcoholic beverages in  
6 factory-sealed containers to retail licensees and wholesalers.

7 “(4) A pharmacist licensed under the laws of this state may sell alcoholic  
8 beverages without a license. Pharmacists may only sell alcoholic beverages  
9 under the provisions of this section if the alcoholic beverages are drugs as  
10 defined in ORS 689.005. A pharmacist may sell alcoholic beverages under the  
11 provisions of this subsection pursuant to a prescription, in containers of not  
12 more than one quart capacity.

13 “(5) A wine collector, or the agent of a wine collector, may sell wine in  
14 factory-sealed containers at auction without a license. Any wine sold under  
15 this subsection must have been held by the collector for at least a six-month  
16 period. A wine collector must receive written approval from the Oregon Li-  
17 quor Control **and Cannabis** Commission before conducting a sale under this  
18 subsection. No more than one sale in a 12-month period may be conducted  
19 by a wine collector under the provisions of this subsection.

20 “(6) A nonprofit or charitable organization registered in this state may  
21 sell wine, malt beverages and cider, and a total of not more than four liters  
22 of distilled liquor, in factory-sealed containers at an auction or through a  
23 raffle without a license. The organization must receive written approval  
24 from the commission before conducting an auction or raffle under this sub-  
25 section. The organization may conduct no more than one auction or raffle  
26 under this subsection in a 12-month period. The auction or raffle may not  
27 have a duration of more than one day. The organization may sell under this  
28 subsection wine, malt beverages, cider and distilled liquor purchased by or  
29 donated to the organization. The purchased or donated wine, malt beverages,  
30 cider and distilled liquor must be imported into this state by the commission



1 or be manufactured in or imported into this state under a brewery,  
2 brewery-public house, distillery, grower sales privilege, winery or wholesale  
3 malt beverage and wine license.

4 “(7) A manufacturer may sell proprietary or patent medicines, perfumes,  
5 lotions, flavoring extracts, medicinal tinctures and other preparations unfit  
6 for beverage purposes without a license.

7 **“SECTION 226.** ORS 471.166 is amended to read:

8 “471.166. (1) The Oregon Liquor Control **and Cannabis** Commission may  
9 require that every applicant for issuance or renewal of a license under this  
10 chapter acquire a written recommendation from the governing body of the  
11 county if the place of business of the applicant is outside an incorporated  
12 city, and from the city council if the place of business of the applicant is  
13 within an incorporated city. The commission may take such written recom-  
14 mendation into consideration before granting or refusing the license.

15 “(2) If the commission requires that an applicant for issuance of a new  
16 license acquire the written recommendation of a local government, the ap-  
17 plicant must give notice to the local government when an application is  
18 made for issuance of the license. If the local government files a favorable  
19 recommendation with the commission within 45 days after the notice is  
20 given, the commission shall proceed with consideration of the application.  
21 The commission shall proceed with consideration of the application as  
22 though the local government had made a favorable recommendation unless,  
23 within 45 days after notice is given to the local government:

24 “(a) The local government files an unfavorable recommendation with the  
25 commission with a statement of the grounds for the unfavorable recommen-  
26 dation; or

27 “(b) The local government files a request for additional time with the  
28 commission that sets forth the reason additional time is needed by the local  
29 government, a statement that the local government is considering making  
30 an unfavorable recommendation on the application, and the specific grounds

1 on which the local government is considering making an unfavorable rec-  
2 ommendation.

3 “(3) If the commission requires that an applicant for renewal of a license  
4 acquire the written recommendation of a local government under this sec-  
5 tion, the commission shall give notice to the local government when an ap-  
6 plication is due for renewal of the license. If the local government files a  
7 favorable recommendation with the commission within 60 days after the no-  
8 tice is given, the commission shall proceed with consideration of the appli-  
9 cation. The commission shall proceed with consideration of the application  
10 as though the local government had made a favorable recommendation unless  
11 within 60 days after notice is given to the local government:

12 “(a) The local government files an unfavorable recommendation with the  
13 commission with a statement of the grounds for the unfavorable recommen-  
14 dation; or

15 “(b) The local government files a request for additional time with the  
16 commission that sets forth the reason additional time is needed by the local  
17 government, a statement that the local government is considering making  
18 an unfavorable recommendation on the application, and the specific grounds  
19 on which the local government is considering making an unfavorable rec-  
20 ommendation.

21 “(4) The commission shall suspend consideration of an application subject  
22 to this section for a reasonable period of time if a local government requests  
23 additional time under subsection (2)(b) or (3)(b) of this section and the  
24 grounds given by the local government are valid grounds for an unfavorable  
25 determination under this chapter or rules adopted by the commission. The  
26 commission shall by rule establish the period of time that shall be granted  
27 to a local government pursuant to a request under subsections (2)(b) and  
28 (3)(b) of this section.

29 “(5) The commission shall by rule establish valid grounds for unfavorable  
30 recommendations by local governments under this section. Valid grounds

1 established by the commission under this section for an unfavorable recom-  
2 mendation by a local government must be limited to those grounds consid-  
3 ered by the commission in making an unfavorable determination on a license  
4 application.

5 “(6) A person filing an application for issuance or renewal of a license  
6 that is subject to this section must remit to the local government the fees  
7 established under subsections (7) and (8) of this section. The commission  
8 shall give notice to the applicant for license renewal of the amount of the  
9 fees and the name of the local government collecting the fees. The commis-  
10 sion is not responsible for collecting the fees charged by the local govern-  
11 ment or for ensuring that the fees have been paid. An applicant for a license  
12 renewal shall certify in the application form filed with the commission that  
13 the applicant has paid any fees required under this section.

14 “(7) An applicant required to seek a written recommendation from a local  
15 government must pay an application fee to the local government, in an  
16 amount determined by the governing body of the city or county, for each  
17 application for a license. The application fee established by a local govern-  
18 ment under this subsection may not exceed \$25.

19 “(8) After public notice and hearing, the governing body of a city or  
20 county may adopt an ordinance, rule or resolution prescribing licensing  
21 guidelines to be followed in making recommendations on license applications  
22 under this chapter and in allowing opportunity for public comment on ap-  
23 plications. If the guidelines are approved by the commission as consistent  
24 with commission rules, after public notice and hearing the governing body  
25 may adopt an ordinance, rule or regulation establishing a system of fees that  
26 is reasonable and necessary to pay expenses of processing the written rec-  
27 ommendation. Processing fees under this subsection are in lieu of fees under  
28 subsection (7) of this section. In no case shall the processing fee under this  
29 subsection be greater than \$100 for an original application, \$75 for a change  
30 in ownership, change in location or change in privilege application, and \$35

1 for a renewal or temporary application.

2 **“SECTION 227.** ORS 471.168, as amended by section 3, chapter 3, Oregon  
3 Laws 2016, is amended to read:

4 “471.168. (1) For the purpose of providing coverage for injuries suffered  
5 by persons by reason of the conduct of intoxicated persons who were served  
6 alcoholic beverages on licensed premises while visibly intoxicated, all per-  
7 sons holding a license described in this section must either:

8 “(a) Maintain liquor liability insurance of not less than \$300,000; or

9 “(b) Maintain a bond with a corporate surety authorized to transact  
10 business in this state in the amount of not less than \$300,000.

11 “(2) The Oregon Liquor Control **and Cannabis** Commission may by rule  
12 require liquor liability insurance or bond in an amount larger than the  
13 minimum amount provided for in subsection (1) of this section.

14 “(3) The requirements of this section apply to full on-premises sales li-  
15 censes, limited on-premises sales licenses and brewery-public house licenses.  
16 The requirements of this section apply to temporary sales licenses, special  
17 events winery licenses, special events grower sales privilege licenses, special  
18 events brewery-public house licenses, special events brewery licenses and  
19 special events distillery licenses if the event that is licensed is open to the  
20 public and attendance at the event is anticipated to exceed 300 individuals  
21 per day.

22 “(4) The requirements of this section apply to winery licenses, brewery  
23 licenses and grower sales privilege licenses unless an applicant for issuance  
24 of the license or renewal of the license submits with the application for is-  
25 suance or renewal of the license an affidavit that states that the licensee  
26 will not allow consumption of alcoholic beverages on the premises.

27 “(5) All licensees subject to the requirements of this section must supply  
28 proof of compliance at the time the license is issued or renewed. The com-  
29 mission by rule shall determine the manner in which proof of compliance  
30 may be made under the provisions of this subsection. The commission may

1 require a licensee to present proof of compliance with liquor liability insur-  
2 ance and bond requirements at any time upon request of the commission.

3 “(6) Failure of a licensee to comply with liquor liability insurance or bond  
4 requirements imposed under this section constitutes a serious threat to pub-  
5 lic health and safety. In addition to any action available to the commission  
6 under ORS 471.313 or 471.315, the commission may immediately suspend or  
7 refuse renewal of a license as provided under ORS 183.430 (2) if the licensee  
8 fails to comply with those insurance or bond requirements.

9 “(7) If a licensee fails to provide proof of compliance with liquor liability  
10 insurance or bond requirements imposed under this section at the time of  
11 license renewal or when requested by the commission, the failure is suffi-  
12 cient reason for the commission to find for purposes of ORS 183.430 (2) that  
13 the licensee has failed to comply with the insurance or bond requirements.

14 **“SECTION 228.** ORS 471.175 is amended to read:

15 “471.175. (1) The holder of a full on-premises sales license may sell by the  
16 drink at retail wine, malt beverages, cider and distilled liquor. Except as  
17 provided in this section, all alcoholic beverages sold under a full on-premises  
18 sales license must be consumed on the licensed premises.

19 “(2) A full on-premises sales license may be issued only to:

20 “(a) A nonprofit private club, as described in subsection (8) of this sec-  
21 tion.

22 “(b) A public passenger carrier as provided in ORS 471.182.

23 “(c) A commercial establishment, as defined in ORS 471.001 (2).

24 “(d) A public location that does not qualify for licensing under para-  
25 graphs (a) to (c) of this subsection if:

26 “(A) Food is cooked and served at the location;

27 “(B) The predominant business activity at the location is other than the  
28 preparation or serving of food or the serving of alcohol; and

29 “(C) The location meets any minimum food service requirements estab-  
30 lished by Oregon Liquor Control **and Cannabis** Commission rule.

1       “(e) A caterer, subject to the requirements of ORS 471.184.

2       “(3) The holder of a full on-premises sales license shall allow a patron to  
3 remove a partially consumed bottle of wine from the licensed premises if the  
4 wine is served in conjunction with the patron’s meal, the patron is not a  
5 minor and the patron is not visibly intoxicated.

6       “(4) The holder of a full on-premises sales license is entitled to purchase  
7 any distilled liquor from an agent of the commission appointed pursuant to  
8 ORS 471.750 at a discount of not more than five percent off the regular listed  
9 price fixed by the commission, together with all taxes, in a manner pre-  
10 scribed by commission rule. For purposes of compensation by the commission,  
11 the appointed agent shall be credited with such sales at full retail cost. The  
12 commission may not require the licensee to purchase more than one con-  
13 tainer of distilled liquor at a time if the distilled liquor:

14       “(a) Except as provided in subsection (9) of this section, has a retail sales  
15 price of \$30 or more per container;

16       “(b) Is available through a distributor in the United States that does not  
17 require the commission to acquire more than one case of the distilled liquor  
18 in a single transaction;

19       “(c) Is not regularly stocked by the commission; and

20       “(d) Is ordered in a 750 milliliter container size if available in that size.

21       “(5) The holder of a full on-premises sales license may purchase distilled  
22 liquor only from a retail sales agent of the commission or from another  
23 person licensed under this section who has purchased the distilled liquor  
24 from a retail sales agent of the commission.

25       “(6) The holder of a full on-premises sales license may sell factory-sealed  
26 containers of wine to a person who organizes a private gathering on the  
27 licensee’s premises if the wine was acquired as part of a larger purchase of  
28 wine by the licensee for the purpose of the gathering and only part of the  
29 larger purchase was consumed at the gathering. Wine sold under this sub-  
30 section may be sold only for an amount adequate to compensate the licensee

1 for the amounts paid by the licensee for the wine.

2 “(7) The holder of a full on-premises sales license may sell for consump-  
3 tion off the licensed premises malt beverages, wines and cider in securely  
4 covered containers provided by the consumer and having capacities of not  
5 more than two gallons each.

6 “(8) A nonprofit private club, including but not limited to a fraternal or  
7 veterans organization, may qualify for a full on-premises sales license under  
8 this section only if the club meets any minimum membership, nonprofit sta-  
9 tus and food service requirements established by commission rule.

10 “(9) The commission may annually adjust the price threshold established  
11 in subsection (4)(a) of this section by a percentage equal to the percentage  
12 change in the Portland-Salem, OR-WA Consumer Price Index for All Urban  
13 Consumers for All Items as published by the Bureau of Labor Statistics of  
14 the United States Department of Labor. However, the commission may not  
15 adjust the price threshold to be less than \$30.

16 **“SECTION 229.** ORS 471.180 is amended to read:

17 “471.180. A full or limited on-premises sales license issued to a hotel or  
18 arena under the provisions of this chapter authorizes the person to whom the  
19 license is issued to provide for in-room supplies of the alcoholic beverages  
20 otherwise authorized to be sold under the license. Any in-room supply of al-  
21 coholic beverages that are available for purchase by patrons of the hotel or  
22 arena shall be kept in a locked cabinet, and shall conform with any rules  
23 that the Oregon Liquor Control **and Cannabis** Commission may promulgate  
24 to ensure the enforcement of other provisions of this chapter.

25 **“SECTION 230.** ORS 471.182 is amended to read:

26 “471.182. (1) The Oregon Liquor Control **and Cannabis** Commission may  
27 grant a full or limited on-premises sales license to the owner or operator of  
28 a licensed public passenger carrier only as specified in this section. A public  
29 passenger carrier licensed by the commission under this section must serve  
30 food as required by rules of the commission.

1       “(2) The commission may issue a full on-premises sales license to:

2       “(a) An airline for use in operating aircraft that are licensed to carry at  
3 least 40 passengers and that arrive at or depart from an airport in this state.

4       “(b) A railroad corporation for use in operating passenger trains in this  
5 state.

6       “(c) The owner or operator of one or more tour boats that are licensed  
7 to carry at least 40 passengers to or from any port of this state and that are  
8 primarily used for nonfishing purposes.

9       “(3) The commission may issue a limited on-premises sales license to any  
10 of the persons specified in subsection (2) of this section. In addition, the  
11 commission may issue a limited on-premises sales license to the owner or  
12 operator of a licensed public passenger carrier not described in subsection  
13 (2) of this section if the carrier is a mobile vehicle that is licensed to carry  
14 at least 40 passengers.

15       “**SECTION 231.** ORS 471.184 is amended to read:

16       “471.184. (1) The holder of a full or limited on-premises sales license may  
17 cater a temporary event at a location other than the licensed premises if the  
18 event is not open to the general public. Catering of an event under this  
19 subsection must be pursuant to a contract with a client. The contract must  
20 provide that the licensee will furnish food and beverage services for no more  
21 than 100 patrons. The licensee must serve food as required by rules of the  
22 commission. The licensee may cater events under this subsection without  
23 giving advance notice to the Oregon Liquor Control **and Cannabis** Com-  
24 mission if, before the event occurs, the commission gives written approval  
25 to the licensee authorizing catering pursuant to this subsection. Events  
26 catered under the provisions of this subsection must meet all requirements  
27 for enclosure of premises that may be imposed by the commission for the  
28 purposes of this section. Notwithstanding ORS 471.175 (3) and (7) and 471.178  
29 (2) to (4), the licensee may not permit patrons of the event to remove any  
30 alcoholic beverages from the premises of the event.



1       “(2) In addition to catered events under subsection (1) of this section, the  
2 commission may by rule allow the exercise of the privileges of a full or  
3 limited on-premises sales license at temporary events held at locations other  
4 than the licensed premises. The commission may:

5       “(a) Require notice to the commission before the exercise of license priv-  
6 ileges at temporary events under this subsection;

7       “(b) Require that written approval by the commission be obtained before  
8 the exercise of license privileges at temporary events under this subsection;

9       “(c) Establish eligibility criteria for the exercise of license privileges at  
10 temporary events under this subsection; and

11       “(d) Establish fees reasonably calculated to cover administrative expenses  
12 incurred by the commission in administering this subsection.

13       “**SECTION 232.** ORS 471.186 is amended to read:

14       “471.186. (1) The holder of an off-premises sales license may sell factory-  
15 sealed containers of malt beverages, wine and cider. Factory-sealed contain-  
16 ers of malt beverages sold under the license may not hold more than two and  
17 one-quarter gallons.

18       “(2) The holder of an off-premises sales license may sell for consumption  
19 off the licensed premises malt beverages, wines and cider in securely covered  
20 containers supplied by the consumer and having capacities of not more than  
21 two gallons each.

22       “(3) The holder of an off-premises sales license may provide sample tasting  
23 of alcoholic beverages on the licensed premises if the licensee makes written  
24 application to the Oregon Liquor Control **and Cannabis** Commission and  
25 receives approval from the commission to conduct tastings on the premises.  
26 Tastings must be limited to the alcoholic beverages that may be sold under  
27 the privileges of the license.

28       “(4) An off-premises sales license may not be issued for use at a premises  
29 that is mobile.

30       “(5) Except as provided in ORS 471.402, a manufacturer or wholesaler may

1 not provide or pay for sample tastings of alcoholic beverages for the public  
2 on premises licensed under an off-premises sales license.

3 “(6) The holder of an off-premises sales license may deliver malt  
4 beverages, wine or cider that is sold under the privileges of the license to  
5 retail customers in this state without a direct shipper permit issued under  
6 ORS 471.282. Any deliveries by the holder of an off-premises sales license are  
7 subject to any rules adopted by the commission relating to deliveries made  
8 under this subsection. Deliveries under this subsection:

9 “(a) May be made only to a person who is at least 21 years of age;

10 “(b) May be made only for personal use and not for the purpose of resale;  
11 and

12 “(c) Must be made in containers that are conspicuously labeled with the  
13 words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS  
14 OR OLDER REQUIRED FOR DELIVERY.’

15 “(7) The holder of an off-premises sales license that makes deliveries of  
16 malt beverages, wine or cider under subsection (6) of this section must take  
17 all actions necessary to ensure that a carrier used by the licensee does not  
18 deliver any malt beverages, wine or cider unless the carrier:

19 “(a) Obtains the signature of the recipient of the malt beverages, wine  
20 or cider upon delivery;

21 “(b) Verifies by inspecting government-issued photo identification that the  
22 recipient is at least 21 years of age; and

23 “(c) Determines that the recipient is not visibly intoxicated at the time  
24 of delivery.

25 “(8) Any person who knowingly or negligently delivers malt beverages,  
26 wine or cider under the provisions of this section to a person under 21 years  
27 of age, or who knowingly or negligently delivers malt beverages, wine or  
28 cider under the provisions of this section to a visibly intoxicated person,  
29 violates ORS 471.410.

30 “(9) If a court determines that deliveries of malt beverages, wine or cider

1 under subsection (6) of this section cannot be restricted to holders of off-  
2 premises sales licenses, and the decision is a final judgment that is no longer  
3 subject to appeal, the holder of an off-premises sales license may not make  
4 deliveries of malt beverages, wine or cider under the provisions of subsection  
5 (6) of this section after entry of the final judgment.

6 **“SECTION 233.** ORS 471.190 is amended to read:

7 “471.190. (1) The holder of a temporary sales license may:

8 “(a) Sell at retail by the drink wine, malt beverages, cider and distilled  
9 liquor.

10 “(b) Sell for consumption off the licensed premises wine, malt beverages  
11 and cider in factory-sealed containers.

12 “(c) Sell for consumption off the licensed premises wine, malt beverages  
13 and cider in securely covered containers supplied by the consumer and hav-  
14 ing capacities of not more than two gallons each.

15 “(2) Distilled liquor served by the holder of a temporary sales license  
16 must be purchased from a retail sales agent of the Oregon Liquor Control  
17 **and Cannabis** Commission. The holder of a temporary sales license must  
18 provide food service as required by commission rule.

19 “(3) A temporary sales license may be issued only to:

20 “(a) Nonprofit or charitable organizations that are registered with the  
21 state.

22 “(b) A political committee that has filed a statement of organization un-  
23 der ORS 260.039 or 260.042.

24 “(c) State agencies.

25 “(d) Local governments, and agencies and departments of local govern-  
26 ments.

27 “(e) Persons not otherwise described in this subsection, as long as the  
28 applicant submits a plan that is approved by the commission detailing how  
29 minors will be prevented from gaining access to alcoholic beverages and how  
30 minors will be prevented from gaining access to any portion of the licensed

1 premises prohibited to minors under ORS 471.430 (3) or any rule adopted by  
2 the commission.

3 “(4) The commission may by rule establish additional eligibility require-  
4 ments for temporary sales licenses.

5 “(5) Subject to such qualifications as the commission may establish by  
6 rule, persons who hold a full or limited on-premises sales license are eligible  
7 for temporary sales licenses.

8 “(6) A person holding a temporary sales license is not required to obtain  
9 an intermittent temporary restaurant, seasonal temporary restaurant,  
10 single-event temporary restaurant license or mobile unit license under ORS  
11 chapter 624 if only wine, malt beverages and cider in single-service contain-  
12 ers are served and only nonperishable food items that are exempted from  
13 licensure by the Oregon Health Authority are served.

14 “(7) Employees and volunteers serving alcoholic beverages for a nonprofit  
15 or charitable organization licensed under this section are not required to  
16 have service permits or to complete an alcohol server education program and  
17 examination under ORS 471.542. The commission by rule may establish edu-  
18 cation requirements for servers described in this subsection.

19 “(8) Notwithstanding ORS 471.392 to 471.400, a temporary sales license  
20 may be issued to a nonprofit trade association that has a membership pri-  
21 marily composed of persons that hold winery licenses issued under ORS  
22 471.223 or grower sales privilege licenses issued under ORS 471.227.

23 **“SECTION 234.** ORS 471.200 is amended to read:

24 “471.200. (1) A brewery-public house license allows the licensee:

25 “(a) To manufacture on the licensed premises, store, transport, sell to  
26 wholesale malt beverage and wine licensees of the Oregon Liquor Control  
27 **and Cannabis** Commission and export malt beverages;

28 “(b) To sell malt beverages manufactured on or off the licensed premises  
29 at retail for consumption on or off the premises;

30 “(c) To sell malt beverages in brewery-sealed packages at retail directly

1 to the consumer for consumption off the premises;

2 “(d) To sell on the licensed premises at retail malt beverages manufac-  
3 tured on or off the licensed premises in unpasteurized or pasteurized form  
4 directly to the consumer for consumption off the premises, delivery of which  
5 may be made in a securely covered container supplied by the consumer;

6 “(e) To sell wine and cider at retail for consumption on or off the prem-  
7 ises;

8 “(f) To sell for consumption off the premises wines and cider in securely  
9 covered containers supplied by the consumer and having capacities of not  
10 more than two gallons each;

11 “(g) To conduct the activities, except manufacturing, described in para-  
12 graphs (a) to (f) of this subsection at one location other than the premises  
13 where the manufacturing occurs;

14 “(h) To obtain a special events brewery-public house license entitling the  
15 holder to conduct the activities allowed under paragraphs (b) to (f) of this  
16 subsection at a designated location other than the location set forth in the  
17 brewery-public house license for a period not exceeding five days;

18 “(i) To distribute malt beverages manufactured at the licensed premises  
19 to any other premises licensed to the same licensee, whether a manufacturer,  
20 wholesaler or retail premises; and

21 “(j) To distribute for export, in any amount, malt beverages manufactured  
22 at the licensed premises.

23 “(2) In addition to the privileges specified in subsection (1) of this section,  
24 in any calendar year a brewery-public house licensee may sell at wholesale  
25 and distribute to licensees of the commission no more than 7,500 barrels of  
26 malt beverages produced by the brewery-public house licensee.

27 “(3) A brewery-public house licensee, or any person having an interest in  
28 the licensee, is a retail licensee for the purposes of ORS 471.394 and, except  
29 as otherwise provided by this section and ORS 471.396, may not acquire or  
30 hold any right, title, lien, claim or other interest, financial or otherwise, in,

1 upon or to the premises, equipment, business or merchandise of any man-  
2 ufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house  
3 licensee, or any person having an interest in the licensee, is also a man-  
4 ufacturer for the purposes of ORS 471.398 and, except as otherwise provided  
5 by this section and ORS 471.400, may not acquire or hold any right, title,  
6 lien, claim or other interest, financial or otherwise, in, upon or to the  
7 premises, equipment, business or merchandise of any other retail licensee,  
8 as defined in ORS 471.392.

9 “(4) A brewery-public house licensee, or any person having an interest in  
10 the licensee, is a retail licensee for the purposes of ORS 471.398 and, except  
11 as otherwise provided by this section and ORS 471.400, may not accept di-  
12 rectly or indirectly any financial assistance described in ORS 471.398 from  
13 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public  
14 house licensee, or any person having an interest in the licensee, is also a  
15 manufacturer for the purposes of ORS 471.398 and, except as otherwise pro-  
16 vided by this section and ORS 471.400, may not provide directly or indirectly  
17 any financial assistance described in ORS 471.398 to any retail licensee, as  
18 defined in ORS 471.392. The prohibitions on financial assistance in ORS  
19 471.398 do not apply to financial assistance between manufacturing and retail  
20 businesses licensed to the same person under the provisions of this section.

21 “(5) Notwithstanding subsection (3) of this section, a brewery-public house  
22 licensee, or any person having an interest in the licensee, may also hold a  
23 winery license authorized by ORS 471.223. A brewery-public house licensee,  
24 or any person having an interest in the licensee, may also hold a warehouse  
25 license authorized by ORS 471.242.

26 “(6) Notwithstanding subsection (3) of this section, a brewery-public house  
27 licensee is eligible for limited on-premises sales licenses and temporary sales  
28 licenses.

29 “(7)(a) Notwithstanding subsection (3) of this section, and except as pro-  
30 vided in this subsection, a brewery-public house licensee, or any person

1 having an interest in the licensee, may also hold a full on-premises sales li-  
2 cense. If a person holds both a brewery-public house license and a full on-  
3 premises sales license, nothing in this chapter shall prevent the sale by the  
4 licensee of both distilled liquor and malt beverages manufactured under the  
5 brewery-public house license.

6 “(b) The commission may not issue a full on-premises sales license to a  
7 brewery-public house licensee under the provisions of this subsection if the  
8 brewery-public house licensee, or any person having an interest in the  
9 licensee or exercising control over the licensee, is a brewery that brews more  
10 than 200,000 barrels of malt beverages annually or a winery that produces  
11 more than 200,000 gallons of wine annually.

12 “(8) Notwithstanding any other provision of this chapter, a brewery-public  
13 house licensee, or any person having an interest in the licensee, may also  
14 hold a distillery license. No provision of this chapter prevents a brewery-  
15 public house licensee that also holds a distillery license from being appointed  
16 by the commission as the distillery’s retail outlet agent for the purpose of  
17 selling distilled liquors under ORS 471.230.

18 “(9) Notwithstanding subsection (3) of this section, the commission by  
19 rule may authorize a brewery-public house licensee to coproduce special  
20 events with other manufacturers.

21 “(10)(a) Notwithstanding subsection (3) of this section, a brewery-public  
22 house licensee may hold, directly or indirectly, an interest in a manufacturer  
23 or wholesaler, provided that the interest does not result in exercise of con-  
24 trol over, or participation in the management of, the manufacturer’s or  
25 wholesaler’s business or business decisions and does not result in exclusion  
26 of any competitor’s brand of alcoholic liquor.

27 “(b) Notwithstanding subsection (3) of this section, a manufacturer or  
28 wholesaler, and any officer, director or substantial stockholder of any cor-  
29 porate manufacturer or wholesaler, may hold, directly or indirectly, an in-  
30 terest in a brewery-public house licensee, provided that the interest does not

1 result in exercise of control over, or participation in the management of, the  
2 licensee's business or business decisions and does not result in exclusion of  
3 any competitor's brand of alcoholic liquor.

4 "(11) For purposes of ORS chapter 473, a brewery-public house licensee  
5 shall be considered to be a manufacturer.

6 "**SECTION 235.** ORS 471.223 is amended to read:

7 "471.223. (1) As used in this section, 'control' means that the licensee:

8 "(a) Owns the brand under which the wine or cider is labeled; or

9 "(b) Performs or has the legal right to perform all of the acts common to  
10 a brand owner under the terms of a trademark license or similar agreement  
11 that for the brand under which the wine or cider is labeled has a term of  
12 at least three years.

13 "(2) A winery license shall allow the licensee:

14 "(a) To import wine or cider in containers that have a capacity of more  
15 than four liters.

16 "(b) To import wine or cider in containers that have a capacity of four  
17 liters or less if the brand of wine or cider is under the control of the  
18 licensee.

19 "(c) To bottle, produce, blend, store, transport or export wines or cider.

20 "(d) To sell wines or cider at wholesale to the Oregon Liquor Control **and**  
21 **Cannabis** Commission or to licensees of the commission.

22 "(e) To sell wines or cider at retail directly to the consumer for con-  
23 sumption on or off the licensed premises.

24 "(f) To sell malt beverages at retail for consumption on or off the licensed  
25 premises.

26 "(g) To sell for consumption off the premises malt beverages, wines and  
27 cider in securely covered containers supplied by the consumer and having  
28 capacities of not more than two gallons each.

29 "(h) To conduct any activities described in paragraphs (a) to (g) of this  
30 subsection at a second or third premises as may be designated by the com-



1 mission.

2 “(i) To purchase from or through the commission brandy or other distilled  
3 liquors for fortifying wines.

4 “(j) To obtain a special events winery license that shall entitle the holder  
5 to conduct the activities allowed under paragraphs (e) to (g) of this sub-  
6 section at a designated location other than the one set forth in the winery  
7 license for a period not to exceed five days.

8 “(3) A winery licensee shall allow a patron to remove a partially con-  
9 sumed bottle of wine from the licensed premises if the patron is not a minor  
10 and the patron is not visibly intoxicated.

11 “(4) In order to hold a winery license the licensee shall:

12 “(a) Possess at a bonded premises within Oregon a valid producer and  
13 blender basic permit issued by the federal Alcohol and Tobacco Tax and  
14 Trade Bureau; or

15 “(b) Possess a valid wine blender or valid wholesaler basic permit issued  
16 by the federal Alcohol and Tobacco Tax and Trade Bureau and have a writ-  
17 ten contract with a winery licensed under paragraph (a) of this subsection  
18 that authorizes the winery to produce for the licensee a brand of wine or  
19 cider that is under the control of the licensee.

20 “(5) A winery licensee may sell and ship malt beverages, wine or cider  
21 directly to a resident of this state only if the licensee has a direct shipper  
22 permit issued under ORS 471.282.

23 “(6)(a) Except as provided in paragraph (b) of this subsection, a winery  
24 licensee, or any person having an interest in the licensee, may also hold a  
25 full on-premises sales license. If a winery licensee, or a person having an  
26 interest in the licensee, also holds a full on-premises sales license, the pro-  
27 visions of this chapter do not prevent the licensee or person from both sell-  
28 ing wine or cider bottled and produced under the winery license and selling  
29 alcoholic liquor as authorized under the full on-premises sales license.

30 “(b) The commission may not issue a full on-premises sales license to a

1 winery licensee under the provisions of this subsection if the winery licensee,  
2 or any person having an interest in the licensee or exercising control over  
3 the licensee, is a brewery that brews more than 200,000 barrels of malt  
4 beverages annually.

5 “(7) More than one winery licensee may exercise the privileges of a  
6 winery license at a single location. The commission may not refuse to issue  
7 a winery license to a person for the production of wine or cider on specified  
8 premises based on the fact that other winery licensees also produce wine or  
9 cider on those premises.

10 “(8) If a winery licensee does not possess at a bonded premises within  
11 Oregon a valid producer and blender basic permit issued by the federal Al-  
12 cohol and Tobacco Tax and Trade Bureau, the licensee may exercise the  
13 privileges described in this section only for wine and cider brands that are  
14 under the control of the licensee.

15 **“SECTION 236.** ORS 471.227 is amended to read:

16 “471.227. (1) A grower sales privilege license shall allow the licensee to  
17 perform the following activities only for fruit or grape wine or cider where  
18 all of the fruit or grapes used to make the wine or cider are grown in Oregon  
19 under the control of the licensee:

20 “(a) To import, store, transport or export such wines or cider.

21 “(b) To sell such wines or cider at wholesale to the Oregon Liquor Con-  
22 trol **and Cannabis** Commission or licensees of the commission.

23 “(c) To sell such wines or cider at retail directly to the consumer for  
24 consumption on or off the licensed premises.

25 “(d) To sell at retail for consumption off the licensed premises malt  
26 beverages and such wines and cider in securely covered containers provided  
27 by the consumer and having capacities of not more than two gallons each.

28 “(e) To conduct some or all of the activities allowed under paragraphs (a)  
29 to (d) of this subsection at a second or third premises as may be designated  
30 by the commission.

1       “(f) To obtain a special events grower sales privilege license which shall  
2 entitle the holder to conduct the activities allowed under paragraphs (c) and  
3 (d) of this subsection at a designated location other than the one set forth  
4 in the grower sales privilege license for a period not to exceed five days.

5       “(2) A grower sales privilege licensee shall allow a patron to remove a  
6 partially consumed bottle of wine from the licensed premises if the patron  
7 is not a minor and the patron is not visibly intoxicated.

8       “(3) For purposes of ORS 471.392 to 471.400, a grower sales privilege  
9 licensee shall be considered a manufacturer.

10       “(4) A person holding a winery license in another state is not eligible for  
11 a license under this section.

12       “(5) A person licensed under this section is not eligible for a limited on-  
13 premises sales license or an off-premises sales license.

14       “(6) As used in this section, ‘control’ means the grower either owns the  
15 land upon which the fruit or grapes are grown or has a legal right to perform  
16 or does perform all of the acts common to fruit farming or viticulture under  
17 terms of a lease or similar agreement of at least three years’ duration.

18       “(7) For the purposes of tax reporting, payment and record keeping, the  
19 provisions of law that shall apply to a manufacturer under ORS chapter 473  
20 shall apply to a grower sales privilege licensee, but such a licensee is not a  
21 manufacturer for purposes of ORS 473.050 (5).

22       “**SECTION 237.** ORS 471.230 is amended to read:

23       “471.230. (1) A distillery license allows the licensee to import, manufac-  
24 ture, distill, rectify, blend, denature and store spirits of an alcoholic content  
25 greater than 17 percent alcohol by weight, to sell the spirits to the Oregon  
26 Liquor Control **and Cannabis** Commission and to transport the spirits out  
27 of this state for sale outside this state. Distillery licensees may purchase and  
28 sell distilled liquor from or to another distillery licensee in containers hav-  
29 ing a capacity greater than one U.S. gallon for blending and manufacturing  
30 purposes. A distillery licensee may not sell any alcoholic beverage within

1 this state except to the commission or as provided in this section. However,  
2 any agricultural producer or association of agricultural producers or the le-  
3 gal agents of an agricultural producer or association of agricultural pro-  
4 ducers that manufactures and converts agricultural surpluses, by-products  
5 and wastes into denatured ethyl and industrial alcohol for use in the arts  
6 and industry are not required to obtain a license from the commission.

7 “(2) If a distillery licensee holds a valid distilled spirits plant basic permit  
8 issued by the federal Alcohol and Tobacco Tax and Trade Bureau for the li-  
9 censed premises, the distillery licensee may:

10 “(a) Permit tastings of distilled liquor approved by the commission for  
11 sale in Oregon and manufactured in Oregon by the distillery licensee or by  
12 another distillery licensee. Tastings may be of the distilled liquor alone or  
13 with a mix of other liquids. If any of the other liquids are distilled liquors,  
14 they must be distilled liquors on the list of products approved by the com-  
15 mission for retail sale in Oregon and must be purchased by the licensee at  
16 the retail price established by the commission. This paragraph does not au-  
17 thorize sales by the drink of distilled liquor. The tastings may be conducted  
18 on the licensed premises of the distillery and at no more than five other  
19 premises owned or leased by the licensee. The commission may allow more  
20 than one distillery licensee to use the same premises at the same time for  
21 conducting tastings if the premises are a primary production location and the  
22 licensees share the premises or are owned by the same entity. If the man-  
23 ufacturer of the distilled liquor obtains distilled liquor for conducting  
24 tastings from the inventory of the commission, the licensee shall pay the  
25 commission a processing fee.

26 “(b) Obtain a special events distillery license.

27 “(c) Apply for appointment by the commission as a distillery retail outlet  
28 agent for purposes of retailing distilled liquor at locations where tastings  
29 are permitted under paragraph (a) of this subsection or subsection (4)(a) of  
30 this section. A distillery retail outlet agent may sell at locations where

1 tastings are allowed under paragraph (a) of this subsection only distilled li-  
2 quor that is on the list of products approved by the commission for retail  
3 sale in Oregon and is manufactured in Oregon by the distillery licensee or  
4 by another distillery licensee that uses the same premises as a primary pro-  
5 duction location or is owned by the same entity as the distillery licensee.

6 “(3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also  
7 hold a full on-premises sales license for a location at the licensed premises  
8 of the distillery and a full on-premises sales license for one other location.  
9 All distilled spirits sold under the full on-premises sales license must be  
10 purchased from the commission.

11 “(4) A distillery licensee that holds a special events distillery license may  
12 conduct an event on premises designated in the special events distillery li-  
13 cense. Except as provided in this subsection, a special events distillery li-  
14 cense may be valid for a period not exceeding five days. The commission  
15 shall limit the approval of special events distillery licenses for a distillery  
16 licensee at the same location to not more than 62 days during a calendar  
17 year. A distillery licensee conducting a special event may:

18 “(a) Permit tastings of distilled liquor approved by the commission for  
19 sale in Oregon and manufactured in Oregon by the distillery licensee.  
20 Tastings may be of the distilled liquor alone or with a mix of other liquids.  
21 If any of the other liquids are distilled liquors, they must be distilled liquors  
22 on the list of products approved by the commission for retail sale in Oregon  
23 and must be purchased by the licensee at the retail price established by the  
24 commission. If the manufacturer of the distilled liquor obtains distilled li-  
25 quor for conducting tastings from the inventory of the commission, the  
26 licensee shall pay the commission a processing fee.

27 “(b) Permit sales by the drink of distilled liquor. A drink that a distillery  
28 licensee sells under this paragraph must include distilled liquor that the  
29 licensee manufactured in Oregon. Any distilled liquor contained in the drink  
30 must be on the list of products approved by the commission for retail sale

1 in Oregon. The distillery licensee selling the drink must purchase all dis-  
2 tilled liquor contained in the drink at the retail price set by the commission  
3 for the month in which the drink is sold.

4 “(c) If the distillery licensee has been appointed as a distillery retail  
5 outlet agent under subsection (2)(c) of this section, sell distilled liquor in  
6 factory-sealed containers for consumption off the licensed premises. A  
7 distillery retail outlet agent may sell at a location where tastings are al-  
8 lowed under paragraph (a) of this subsection only distilled liquor that is on  
9 the list of products approved by the commission for retail sale in Oregon and  
10 is manufactured in Oregon by the distillery licensee. The distillery retail  
11 outlet agent must sell the distilled liquor at the retail price set by the com-  
12 mission for the month of sale.

13 **“SECTION 238.** ORS 471.235 is amended to read:

14 “471.235. (1) A wholesale malt beverage and wine license shall allow the  
15 importation, storage, transportation, wholesale sale and distribution to  
16 licensees of the Oregon Liquor Control **and Cannabis** Commission, and the  
17 export of wine, cider and malt beverages, and the importation and sale to the  
18 commission and the export of wine of alcoholic content in excess of 21 per-  
19 cent alcohol by volume. A wholesale malt beverage and wine licensee may  
20 not sell any alcoholic liquor for consumption upon the licensed premises.  
21 However, a wholesale malt beverage and wine licensee may sell naturally  
22 fermented wine or cider in quantities of not less than four gallons nor more  
23 than 55 gallons at any one time to consumers for consumption not on the  
24 licensed premises. Wholesale malt beverage and wine licensees may sell malt  
25 beverages containing not more than nine percent alcohol by volume in  
26 quantities not less than four gallons to any unlicensed organization, lodge,  
27 picnic party or private gathering. The unlicensed organization, lodge, picnic  
28 party or private gathering may not sell the malt beverages. A wholesale malt  
29 beverage and wine license shall permit the licensee also to sell malt  
30 beverages at wholesale only, to persons holding licenses authorizing the

1 persons to resell such beverages at retail. Employees of wholesale malt  
2 beverage and wine licensees may serve sample tastings of malt beverages,  
3 cider and wine at alcoholic beverage industry trade shows, seminars and  
4 conventions and at alcoholic beverage industry sample tastings for employees  
5 of retail licensees.

6 “(2) Subsection (1) of this section does not prohibit the transportation or  
7 wholesale sale or distribution of malt beverage or wine by a wholesale malt  
8 beverage and wine licensee to any alcoholic treatment center licensed by the  
9 Oregon Health Authority.

10 “(3) A wholesale malt beverage and wine licensee may impose an addi-  
11 tional handling fee on any wine sold to any retailer in this state if the  
12 quantity of wine sold to the retailer is less than the smallest multiple-  
13 package case available to be sold and the handling fee is uniform for all  
14 licensees.

15 “**SECTION 239.** ORS 471.242 is amended to read:

16 “471.242. (1) A warehouse license shall allow the licensee to store, import,  
17 bottle, produce, blend, transport and export nontax paid, bonded wine or  
18 wine on which the tax is paid and to store, import and export nontax paid  
19 malt beverages and cider, or malt beverages and cider on which the tax is  
20 paid. Wine, cider and malt beverages may be removed from the licensed  
21 premises only for:

22 “(a) Sale for export;

23 “(b) Sale or shipment to a wholesale malt beverage and wine licensee;

24 “(c) Sale or shipment to another warehouse licensee;

25 “(d) Sale or shipment to a winery licensee;

26 “(e) Shipment of wine or cider produced by a winery licensee to a licensee  
27 of the Oregon Liquor Control **and Cannabis** Commission authorized to sell  
28 wine or cider at retail if the shipment is made pursuant to a sale to the re-  
29 tail licensee by the holder of a winery license issued under ORS 471.223, a  
30 grower sales privilege license issued under ORS 471.227 or a wholesale malt

1 beverage and wine license issued under ORS 471.235; or

2 “(f) Shipment of malt beverages, wine or cider to a person for personal  
3 use, as described in subsection (7) of this section.

4 “(2) A license applicant must hold an approved registration for a bonded  
5 wine cellar or winery under federal law.

6 “(3) For the purposes of tax reporting, payment and record keeping, the  
7 provisions that shall apply to a manufacturer under ORS chapter 473 shall  
8 apply to a warehouse licensee.

9 “(4) A warehouse must be physically secure in an area zoned for the in-  
10 tended use and be physically separated from any other use.

11 “(5) For purposes of ORS 471.392 to 471.400, a warehouse licensee shall  
12 be considered a manufacturer.

13 “(6) For purposes of ORS 473.045, a warehouse licensee shall be considered  
14 a winery licensee.

15 “(7) Malt beverages, wine or cider may be removed from the premises li-  
16 censed under this section for shipment pursuant to a sale under ORS 471.282.  
17 The warehouse licensee shall take reasonable steps to ensure that shipments  
18 are made in containers that are conspicuously labeled with the words:  
19 ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR  
20 OLDER REQUIRED FOR DELIVERY.’ In addition, the warehouse licensee  
21 shall take reasonable steps to ensure that any carrier used by the licensee  
22 does not deliver any malt beverages, wine or cider unless the carrier:

23 “(a) Obtains the signature of the recipient of the malt beverages, wine  
24 or cider upon delivery;

25 “(b) Verifies by inspecting government-issued photo identification that the  
26 recipient is at least 21 years of age; and

27 “(c) Determines that the recipient is not visibly intoxicated at the time  
28 of delivery.

29 **“SECTION 240.** ORS 471.244 is amended to read:

30 “471.244. (1) No licensee of the Oregon Liquor Control **and Cannabis**



1 Commission shall manufacture, import into, or purchase in the State of  
2 Oregon for resale therein any malt beverages, cider or wine unless the  
3 manufacturer of such malt beverages, cider or wine has first obtained from  
4 the commission a certificate of approval, except that with respect to malt  
5 beverages, cider or wine manufactured outside the United States, the certifi-  
6 cate of approval may be obtained by the person importing same into the  
7 United States. Such certificate of approval shall be granted only to man-  
8 ufacturers or importers who shall have entered into an agreement with the  
9 commission to furnish a report to the commission, on or before the 20th day  
10 of each month, showing the quantity of malt beverages, cider or wine deliv-  
11 ered to each licensee of the commission during the preceding calendar month,  
12 and to faithfully comply with all laws of the State of Oregon pertaining to  
13 traffic in malt beverages, cider or wine. If any holder of such certificate, or  
14 any officer, agent or employee of such holder, shall violate any term or  
15 provision of such agreement, or submit any false or fictitious report, the  
16 commission may, in its discretion, suspend or revoke such certificate.

17 “(2) The commission may grant special certificates of approval to man-  
18 ufacturers and importers of malt beverages, cider or wine. A special certif-  
19 icate of approval has the effect of a certificate of approval granted under  
20 subsection (1) of this section, but is valid only for a period of 30 days.

21 **“SECTION 241.** ORS 471.251 is amended to read:

22 “471.251. The Oregon Liquor Control **and Cannabis** Commission may is-  
23 sue a manufacturer or other person a certificate of approval authorizing the  
24 import of distilled liquor manufactured by a distillery not licensed under  
25 ORS 471.230. The commission may establish by rule:

26 “(1) The conditions under which a manufacturer or other person may  
27 qualify for a certificate of approval;

28 “(2) The products covered by the certificate of approval;

29 “(3) Any conditions or limitations placed on imports under the certificate  
30 of approval; and

1 “(4) The grounds for suspension or revocation of a certificate of approval.

2 **“SECTION 242.** ORS 471.268 is amended to read:

3 “471.268. (1) In addition to any other privilege granted to a licensee under  
4 this chapter, a licensee may conduct an organized judging, tasting, exhibi-  
5 tion, contest or competition of malt beverages and wines produced under  
6 ORS 471.403 (2) and (3) or homemade beers, wines and fermented fruit juices,  
7 or related events, at the premises described in a full or limited on-premises  
8 sales license, off-premises sales license, brewery-public house license, brewery  
9 license, winery license or warehouse license of the licensee. However, the  
10 Oregon Liquor Control **and Cannabis** Commission may restrict the portion  
11 of the licensed premises that may be used for the judging, tasting, exhibition,  
12 contest, competition or related events and may restrict or prohibit sales of  
13 alcoholic beverages on the portion of the premises that is being used for  
14 conducting the judging, tasting, exhibition, contest, competition or related  
15 events.

16 “(2) In addition to any other privilege granted to a licensee under this  
17 chapter, a licensee may allow malt beverages and wines produced under ORS  
18 471.403 (2) and (3) or homemade beers, wines and fermented fruit juices to  
19 be stored at the premises described in a full or limited on-premises sales li-  
20 cense, off-premises sales license, brewery-public house license, brewery li-  
21 cense, winery license or warehouse license of the licensee. The malt  
22 beverages or wines and the homemade beers, wines or fermented fruit juices  
23 must be clearly identified by owner and kept separate from the alcoholic  
24 beverage stock of the licensee.

25 “(3) A licensee may not acquire any ownership interest in malt beverages  
26 and wines produced under ORS 471.403 (2) and (3) or homemade beers, wines  
27 or fermented fruit juices stored under this section. However, this subsection  
28 does not prohibit a licensee from using malt beverages and wines produced  
29 under ORS 471.403 (2) and (3) or homemade beers, wines or fermented fruit  
30 juices in conducting an organized judging, tasting, exhibition, contest or

1 competition of the malt beverages and wines or homemade beers, wines or  
2 fermented fruit juices, or related events, if the malt beverages and wines or  
3 the homemade beers, wines or fermented fruit juices are stored with the  
4 licensee for that purpose.

5 **“SECTION 243.** ORS 471.274 is amended to read:

6 **“471.274.** (1) The Oregon Liquor Control **and Cannabis** Commission may  
7 issue a wine self-distribution permit to a United States manufacturer of wine  
8 or cider. The commission may issue a wine self-distribution permit only to  
9 a manufacturer of wine or cider that:

10 “(a) Holds a license issued by another state that authorizes the manufac-  
11 ture of wine or cider; and

12 “(b) Holds a certificate of approval issued under ORS 471.244.

13 “(2) The holder of a wine self-distribution permit may sell at wholesale  
14 and transport wine or cider that the manufacturer produces directly to the  
15 commission, or to retail licensees in the manner provided by this section. A  
16 wine self-distribution permit allows the holder to sell wine or cider that the  
17 holder produces only to retail licensees who hold a valid endorsement issued  
18 by the commission authorizing receipt of wine or cider from the holder of a  
19 wine self-distribution permit.

20 “(3) In addition to the information required by ORS 471.311 for licenses,  
21 an applicant for a wine self-distribution permit shall provide the commission  
22 with a copy of the license held by the applicant or with sufficient informa-  
23 tion to allow verification of the license by electronic means or other means  
24 acceptable to the commission. The applicant also shall provide the commis-  
25 sion with any information required by the commission to establish that the  
26 license held by the applicant authorizes the manufacture of wine or cider.

27 “(4) A person holding a wine self-distribution permit is responsible for  
28 paying all taxes imposed under ORS chapter 473, and for complying with all  
29 reporting requirements imposed by ORS chapter 473, for all wine and cider  
30 sold and transported to retail licensees in this state. The commission may

1 revoke, or refuse to issue, a wine self-distribution permit if the holder of a  
2 permit fails to pay taxes or make reports as required by ORS chapter 473.

3 “(5) A retail licensee may receive wine or cider from the holder of a wine  
4 self-distribution permit only if the licensee has received prior authorization  
5 from the commission. Prior authorization under this subsection must be made  
6 by an endorsement to the license for the premises where the wine or cider  
7 will be received. The commission may not charge or collect a fee for an  
8 endorsement under this subsection.

9 “(6)(a) Except as provided in paragraph (b) of this subsection, a retail  
10 licensee that receives wine or cider from holders of wine self-distribution  
11 permits must make a monthly report to the commission, using a form pre-  
12 scribed by the commission, listing the amount of all wine or cider received  
13 from permit holders in the previous month, and the names of the permit  
14 holders from whom the wine or cider was received. Retail licensees shall  
15 retain such purchase records for products received from permit holders as  
16 may be required by the commission.

17 “(b) The holder of a full or limited on-premises sales license is not re-  
18 quired to file a report under this subsection for any month in which the  
19 licensee receives two or fewer cases of wine from holders of wine self-  
20 distribution permits.

21 “(7) A manufacturer that is not licensed by the commission may sell and  
22 transport wine or cider directly to a retail licensee, and a retail licensee may  
23 receive wine or cider directly from a manufacturer that is not licensed by  
24 the commission, only if the manufacturer holds a wine self-distribution per-  
25 mit issued under this section.

26 “(8) The holder of a wine self-distribution permit consents to the juris-  
27 diction of the commission and the courts of this state for the purpose of  
28 enforcing the provisions of this chapter, ORS chapter 473 and any related  
29 laws or rules.

30 “(9) The holder of a wine self-distribution permit must post a bond or

1 other security, as described in ORS 471.155.

2 “(10) The commission may revoke, or refuse to issue, a wine self-  
3 distribution permit if the holder of a permit fails to comply with any pro-  
4 vision of this section.

5 **“SECTION 244.** ORS 471.282 is amended to read:

6 “471.282. (1) Notwithstanding any other provision of this chapter and ex-  
7 cept as provided by ORS 471.186 (6), a person may sell and ship malt  
8 beverages, wine or cider directly to a resident of Oregon only if the person  
9 holds a direct shipper permit. The Oregon Liquor Control **and Cannabis**  
10 Commission shall issue a direct shipper permit only to:

11 “(a) A person that holds a license issued by this state or another state  
12 that authorizes the manufacture of malt beverages, wine or cider;

13 “(b) A person that holds a license issued by this state or another state  
14 that authorizes the sale of wine or cider produced only from grapes or other  
15 fruit grown under the control of the person;

16 “(c) A person that holds a license authorizing the sale of malt beverages,  
17 wine or cider at retail; or

18 “(d) A nonprofit trade association that holds a temporary sales license  
19 under ORS 471.190 and that has a membership primarily composed of persons  
20 holding winery licenses issued under ORS 471.223 or grower sales privilege  
21 licenses issued under ORS 471.227.

22 “(2) The holder of a direct shipper permit that is a licensee of another  
23 state may deliver malt beverages under the permit only if that other state  
24 makes direct shipper permits, or the equivalent, available for the delivery  
25 of malt beverages by persons holding a license issued by the commission  
26 authorizing the manufacture or retail sale of malt beverages.

27 “(3)(a) A person may apply for a direct shipper permit by filing an appli-  
28 cation with the commission. The application must be made in such form as  
29 may be prescribed by the commission.

30 “(b) If the application is based on a license issued by this state, the per-

1 son must include in the application the number of the license issued to the  
2 person.

3 “(c) If the application is based on a license issued by another state, the  
4 person must include in the application a true copy of the license issued to  
5 the person by the other state or include sufficient information to allow ver-  
6 ification of the license by electronic means or other means acceptable to the  
7 commission.

8 “(d) If the application is based on a license issued by another state, or the  
9 application is by a nonprofit trade association described in subsection (1)(d)  
10 of this section, the person or association must pay a \$50 registration fee and  
11 maintain a bond or other security described in ORS 471.155 in the minimum  
12 amount of \$1,000.

13 “(4) Sales and shipments under a direct shipper permit:

14 “(a) May be made only to a person who is at least 21 years of age;

15 “(b) May be made only for personal use and not for the purpose of resale;

16 and

17 “(c) May not exceed two cases, containing not more than nine liters per  
18 case, to any resident per month.

19 “(5) Sales and shipments under a direct shipper permit must be made di-  
20 rectly to a resident of this state in containers that are conspicuously labeled  
21 with the words: ‘CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE  
22 21 YEARS OR OLDER REQUIRED FOR DELIVERY.’

23 “(6) A person holding a direct shipper permit must take all actions nec-  
24 essary to ensure that a carrier used by the permit holder does not deliver  
25 any malt beverages, wine or cider unless the carrier:

26 “(a) Obtains the signature of the recipient of the malt beverages, wine  
27 or cider upon delivery;

28 “(b) Verifies by inspecting government-issued photo identification that the  
29 recipient is at least 21 years of age; and

30 “(c) Determines that the recipient is not visibly intoxicated at the time

1 of delivery.

2 “(7)(a) A person holding a direct shipper permit must report to the com-  
3 mission on a quarterly basis all shipments of malt beverages, wine or cider  
4 made to Oregon residents under the permit. The report must be made in a  
5 form prescribed by the commission.

6 “(b) A person holding a direct shipper permit must allow the commission  
7 to audit the permit holder’s records upon request and shall make those re-  
8 cords available to the commission in this state.

9 “(c) A person holding a direct shipper permit consents to the jurisdiction  
10 of the commission and the courts of this state for the purpose of enforcing  
11 the provisions of this section and any related laws or rules.

12 “(8)(a) A person holding a direct shipper permit must timely pay to the  
13 commission all taxes imposed under ORS chapter 473 on malt beverages, wine  
14 and cider sold and shipped under the permit. For the purpose of the privi-  
15 lege tax imposed under ORS chapter 473, all malt beverages, wine or cider  
16 sold and shipped pursuant to a direct shipper permit is sold in this state.

17 “(b) A person holding a direct shipper permit based on a license issued  
18 by another state must timely pay to the commission all taxes imposed under  
19 ORS chapter 473 on all malt beverages, wine or cider sold and shipped di-  
20 rectly to Oregon residents under the permit. The permit holder, not the  
21 purchaser, is responsible for the tax.

22 “(9) A direct shipper permit must be renewed annually. If the person holds  
23 the permit based on an annual license issued by another state, the person  
24 may renew the permit by paying a \$50 renewal fee and providing the com-  
25 mission with a true copy of a current license issued to the person by the  
26 other state or with sufficient information to allow verification of the license  
27 by electronic means or other means acceptable to the commission. If the  
28 person holds the permit based on an annual license issued by this state, the  
29 person may renew the permit at the same time that the person renews the  
30 license.

1       “(10) The commission may refuse to issue or may suspend or revoke a  
2 direct shipper permit if the permit holder fails to comply with the provisions  
3 of this section. A person may sell and ship malt beverages, wine or cider  
4 under a direct shipper permit only for as long as the person has the license  
5 issued by this state or another state that authorizes the person to hold a  
6 direct shipper permit. A direct shipper permit does not authorize the ship-  
7 ment of malt beverages by a permit holder described in subsection (1)(b) of  
8 this section or lacking authority as provided under subsection (2) of this  
9 section.

10       “(11) Any person who knowingly or negligently delivers malt beverages,  
11 wine or cider under the provisions of this section to a person under 21 years  
12 of age, or who knowingly or negligently delivers malt beverages, wine or  
13 cider under the provisions of this section to a visibly intoxicated person,  
14 violates ORS 471.410.

15       “(12) A person may not make sales and shipments of malt beverages, wine  
16 or cider directly to Oregon residents unless the person holds a direct shipper  
17 permit issued under this section. Any person who knowingly makes, partic-  
18 ipates in, transports, imports or receives a shipment of malt beverages, wine  
19 or cider that is in violation of this section commits a misdemeanor as pro-  
20 vided in ORS 471.990 (1).

21       “**SECTION 245.** ORS 471.292 is amended to read:

22       “471.292. (1) A license granted under the Liquor Control Act or the  
23 Oregon Distilled Liquor Control Act shall:

24       “(a) Be a purely personal privilege.

25       “(b) Be valid for the period stated in the license.

26       “(c) Be renewable in the manner provided in ORS 471.311, except for a  
27 cause which would be grounds for refusal to issue such license under ORS  
28 471.313.

29       “(d) Be revocable or suspendible as provided in ORS 471.315.

30       “(e) Be transferable from the place for which the license was originally



1 issued to another location subject to the provisions of the Liquor Control  
2 Act, the Oregon Distilled Liquor Control Act, any rules of the Oregon Liquor  
3 Control **and Cannabis** Commission and any municipal ordinance or local  
4 regulation.

5 “(f) Cease upon the death of the licensee, except as provided in subsection  
6 (2) of this section.

7 “(g) Not constitute property.

8 “(h) Not be alienable.

9 “(i) Not be subject to attachment or execution.

10 “(j) Not descend by the laws of testate or intestate devolution.

11 “(2) The commission may, by order, provide for the manner and conditions  
12 under which:

13 “(a) Alcoholic liquors left by any deceased, insolvent or bankrupt person  
14 or licensee, or subject to a security interest, may be foreclosed, sold under  
15 execution or otherwise disposed of.

16 “(b) The business of any deceased, insolvent or bankrupt licensee may be  
17 operated for a reasonable period following the death, insolvency or bank-  
18 ruptcy.

19 “(c) A business licensed pursuant to this chapter subject to a security  
20 interest may be continued in business by a secured party as defined in ORS  
21 79.0102 for a reasonable period after default on the indebtedness by the  
22 debtor.

23 “(d) A license granted under this chapter may be transferred from the  
24 place for which the license was originally issued to another location.

25 “**SECTION 246.** ORS 471.294 is amended to read:

26 “471.294. (1) Except as otherwise provided in this section, all licenses  
27 under this chapter and renewals thereof shall be issued for a period of one  
28 year which shall expire at 12 midnight on March 31, June 30, September 30  
29 or December 31 of each year.

30 “(2) Notwithstanding subsection (1) of this section, a license issued for

1 the first time to an applicant may be issued for less than a year. The fee for  
2 a license issued for less than a year under this subsection is the annual li-  
3 cense fee prescribed by ORS 471.311.

4 “(3) The term of a temporary letter of authority or license issued under  
5 ORS 471.302 or any temporary sales license is the period fixed by the Oregon  
6 Liquor Control **and Cannabis** Commission when the letter or license is is-  
7 sued.

8 **“SECTION 247.** ORS 471.297 is amended to read:

9 “471.297. (1) The Oregon Liquor Control **and Cannabis** Commission may  
10 grant a temporary letter of authority for a period not to exceed 90 days on  
11 change of ownership applications for licenses granted under this chapter if  
12 the applicant pays the fee prescribed by the commission for a temporary  
13 letter of authority. The administrator appointed by the commission under  
14 ORS 471.720 may extend a temporary letter of authority granted under the  
15 provisions of this section for a period not to exceed 30 days if the commission  
16 has not granted or denied the application at the end of the 90-day period. A  
17 temporary letter of authority issued under this section does not constitute  
18 a license for the purposes of ORS chapter 183.

19 “(2) The commission summarily and without prior administrative pro-  
20 ceedings may revoke a temporary letter of authority any time if the com-  
21 mission finds that any of the grounds for refusing a license under ORS  
22 471.313 or canceling or suspending a license under ORS 471.315 exist.

23 “(3) A person subject to subsection (2) of this section shall be given an  
24 interview under the direction of the commission if the person requests an  
25 interview prior to revocation of a temporary letter of authority. However,  
26 the proceedings are not a contested case under ORS chapter 183.

27 **“SECTION 248.** ORS 471.302 is amended to read:

28 “471.302. (1) Upon receiving an application for an off-premises sales li-  
29 cense, the Oregon Liquor Control **and Cannabis** Commission may grant a  
30 temporary letter of authority for a period not exceeding 90 days, if it finds:

1       “(a) The applicant is located in an area presently zoned for commercial  
2 use and presents documentation of such zoning to the commission.

3       “(b) The applicant pays the fee prescribed by the commission for a tem-  
4 porary letter of authority.

5       “(2) The administrator appointed by the commission under ORS 471.720  
6 may extend a temporary letter of authority granted under the provisions of  
7 this section for a period not to exceed 30 days if the commission has not  
8 granted or denied the application at the end of the 90-day period provided  
9 for in subsection (1) of this section.

10       “(3) A temporary letter of authority issued under this section does not  
11 constitute a license for the purposes of ORS chapter 183. The commission  
12 summarily and without prior administrative proceedings may revoke a tem-  
13 porary letter of authority at any time if:

14       “(a) The commission finds that any of the grounds for refusing a license  
15 under ORS 471.313 exist; or

16       “(b) The city or county in which the applicant is located provides evi-  
17 dence of reasonable grounds to the commission:

18       “(A) That the temporary letter of authority should be revoked; or

19       “(B) That an off-premises sales license should not be issued.

20       “**SECTION 249.** ORS 471.305 is amended to read:

21       “471.305. A brewery or a wholesale malt beverage and wine licensee shall  
22 deliver malt beverages only to or on a licensed premises. The sale of alco-  
23 holic liquors under any license issued by the Oregon Liquor Control **and**  
24 **Cannabis** Commission authorizing retail sales by a licensee shall be re-  
25 stricted to the premises described in the license, but deliveries may be made  
26 by the licensee to customers pursuant to bona fide orders received on the  
27 licensed premises prior to delivery.

28       “**SECTION 250.** ORS 471.311, as amended by section 4, chapter 3, Oregon  
29 Laws 2016, is amended to read:

30       “471.311. (1) Any person desiring a license or renewal of a license under

1 this chapter shall make application to the Oregon Liquor Control **and**  
2 **Cannabis** Commission upon forms to be furnished by the commission show-  
3 ing the name and address of the applicant, location of the place of business  
4 that is to be operated under the license, and such other pertinent information  
5 as the commission may require. A license may not be granted or renewed  
6 until the applicant has complied with the provisions of this chapter and the  
7 rules of the commission.

8 “(2) The commission may reject any application that is not submitted in  
9 the form required by rule. The commission shall give applicants an opportu-  
10 nity to be heard if an application is rejected. A hearing under this subsection  
11 is not subject to the requirements for contested case proceedings under ORS  
12 chapter 183.

13 “(3) The commission shall charge an application fee, not to exceed \$150,  
14 to process an application for the issuance of a new license under this chapter  
15 or a license following a change in ownership. The application fee applies  
16 only to an application for a class of license having an annual license fee.  
17 The application fee is nonrefundable, except that the commission shall refund  
18 the fee if the applicant completes, submits and maintains an application and  
19 the commission does not, on or before 75 days following receipt of the com-  
20 pleted application, propose that the license be granted, granted with condi-  
21 tions or refused. The commission shall adopt rules to:

22 “(a) Establish application fees by class of license; and

23 “(b) Define a completed application for purposes of this subsection.

24 “(4) Subject to subsection (5) of this section, the commission shall assess  
25 a nonrefundable fee for processing a renewal application for any license au-  
26 thorized by this chapter only if the renewal application is received by the  
27 commission less than 20 days before expiration of the license. If the renewal  
28 application is received prior to expiration of the license but less than 20 days  
29 prior to expiration, the fee shall be 25 percent of the annual license fee. If  
30 a renewal application is received by the commission after expiration of the

1 license but no more than 30 days after expiration, the fee shall be 40 percent  
 2 of the annual license fee. This subsection does not apply to a certificate of  
 3 approval, a brewery-public house license or any license that is issued for a  
 4 period of less than 30 days.

5 “(5) The commission may waive the fee imposed under subsection (4) of  
 6 this section if the commission finds that failure to submit a timely applica-  
 7 tion was due to unforeseen circumstances or to a delay in processing the  
 8 application by the local governing authority that is no fault of the licensee.

9 “(6) The license fee is nonrefundable and must be paid by each applicant  
 10 upon the granting or committing of a license. Subject to ORS 471.155 and  
 11 473.065, the annual or daily license fee and the minimum bond required of  
 12 each class of license under this chapter are as follows:

13 “

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“License	Minimum	
	Fee	Bond
Brewery, including Certificate		
of Approval	\$ 500	\$ 1,000
Winery	\$ 250	\$ 1,000
Distillery	\$ 100	None
Wholesale Malt Beverago		
and Wine	\$ 275	\$ 1,000
Warehouse	\$ 100	\$ 1,000
Brewery-Public House,		
“including Certificate		
“of Approval	\$ 250	\$ 1,000
Limited On-Premises Sales	\$ 200	None
Off-Premises Sales	\$ 100	None
Temporary Sales	\$ 50 per day	
Grower sales privilege		
“license	\$ 250	\$ 1,000

1	Special events brewery	
2	"license	\$ 10 per day
3	Special events winery	
4	"license	\$ 10 per day
5	Special events grower	
6	"sales privilege	
7	"license	\$ 10 per day
8	Special events	
9	"brewery-public house	
10	"license	\$ 10 per day
11	Special events	
12	"distillery	
13	"license	\$ 10 per day
14	"	

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15       “(7) The fee for a certificate of approval or special certificate of approval  
16 granted under ORS 471.244 is nonrefundable and must be paid by each ap-  
17 plicant upon the granting or committing of a certificate of approval or spe-  
18 cial certificate of approval. No bond is required for the granting of a  
19 certificate of approval or special certificate of approval. Certificates of ap-  
20 proval are valid for a period commencing on the date of issuance and ending  
21 on December 31 of the fifth calendar year following the calendar year of is-  
22 suance. The fee for a certificate of approval is \$175. Special certificates of  
23 approval are valid for a period of 30 days. The fee for a special certificate  
24 of approval is \$10.

25       “(8) Except as provided in subsection (9) of this section, the annual li-  
26 cense fee for a full on-premises sales license is \$400. No bond is required for  
27 any full on-premises sales license.

28       “(9) The annual license fee for a full on-premises sales license held by a  
29 nonprofit private club as described in ORS 471.175 (8), or held by a nonprofit  
30 or charitable organization that is registered with the state, is \$200.

1       “(10) The annual fee for a wine self-distribution permit is \$100, and the  
2 minimum bond is \$1,000.

3       “**SECTION 251.** ORS 471.313 is amended to read:

4       “471.313. The Oregon Liquor Control **and Cannabis** Commission may re-  
5 fuse to license any applicant under the provisions of this chapter if the  
6 commission has reasonable ground to believe any of the following to be true:

7       “(1) That there are sufficient licensed premises in the locality set out in  
8 the application, or that the granting of a license in the locality set out in  
9 the application is not demanded by public interest or convenience. In deter-  
10 mining whether there are sufficient licensed premises in the locality, the  
11 commission shall consider seasonal fluctuations in the population of the lo-  
12 cality and shall ensure that there are adequate licensed premises to serve the  
13 needs of the locality during the peak seasons.

14       “(2) That the applicant has not furnished an acceptable bond as required  
15 by ORS 471.311 or is not maintaining the insurance or bond required by ORS  
16 471.168.

17       “(3) That, except as allowed by ORS 471.392 to 471.400, any applicant to  
18 sell at retail for consumption on the premises has been financed or furnished  
19 with money or property by, or has any connection with, or is a manufacturer  
20 of, or wholesale dealer in, alcoholic liquor.

21       “(4) That the applicant:

22       “(a) Is in the habit of using alcoholic beverages, habit-forming drugs or  
23 controlled substances to excess.

24       “(b) Has made false statements to the commission.

25       “(c) Is incompetent or physically unable to carry on the management of  
26 the establishment proposed to be licensed.

27       “(d) Has been convicted of violating a general or local law of this state  
28 or another state, or of violating a federal law, if the conviction is substan-  
29 tially related to the fitness and ability of the applicant to lawfully carry out  
30 activities under the license.

1       “(e) Has maintained an insanitary establishment.

2       “(f) Is not of good repute and moral character.

3       “(g) Did not have a good record of compliance with the alcoholic liquor  
4 laws of this state and the rules of the commission when previously licensed.

5       “(h) Is not the legitimate owner of the business proposed to be licensed,  
6 or other persons have ownership interests in the business which have not  
7 been disclosed.

8       “(i) Is not possessed of or has not demonstrated financial responsibility  
9 sufficient to adequately meet the requirements of the business proposed to  
10 be licensed.

11       “(j) Is unable to read or write the English language or to understand the  
12 laws of Oregon relating to alcoholic liquor or the rules of the commission.

13       “(5) That there is a history of serious and persistent problems involving  
14 disturbances, lewd or unlawful activities or noise either in the premises  
15 proposed to be licensed or involving patrons of the establishment in the im-  
16 mediate vicinity of the premises if the activities in the immediate vicinity  
17 of the premises are related to the sale or service of alcohol under the exer-  
18 cise of the license privilege. Behavior which is grounds for refusal of a li-  
19 cense under this section, where so related to the sale or service of alcohol,  
20 includes, but is not limited to obtrusive or excessive noise, music or sound  
21 vibrations; public drunkenness; fights; altercations; harassment; unlawful  
22 drug sales; alcohol or related litter; trespassing on private property; and  
23 public urination. Histories from premises currently or previously operated  
24 by the applicant may be considered when reasonable inference may be made  
25 that similar activities will occur as to the premises proposed to be licensed.  
26 The applicant may overcome the history by showing that the problems are  
27 not serious or persistent or that the applicant demonstrates a willingness  
28 and ability to control adequately the premises proposed to be licensed and  
29 patrons' behavior in the immediate vicinity of the premises which is related  
30 to the licensee's sale or service of alcohol under the licensee's exercise of the



1 license privilege.

2 **“SECTION 252.** ORS 471.315 is amended to read:

3 “471.315. (1) The Oregon Liquor Control **and Cannabis** Commission may  
4 cancel or suspend any license issued under this chapter, or impose a civil  
5 penalty in lieu of or in addition to suspension as provided by ORS 471.322,  
6 if the commission finds or has reasonable ground to believe any of the fol-  
7 lowing to be true:

8 “(a) That the licensee:

9 “(A) Has violated any provision of this chapter or ORS 474.115 or any rule  
10 of the commission adopted pursuant thereto.

11 “(B) Has made any false representation or statement to the commission  
12 in order to induce or prevent action by the commission.

13 “(C) Is not maintaining an acceptable bond as required by ORS 471.311  
14 or is not maintaining the insurance or bond required by ORS 471.168.

15 “(D) Has maintained an insanitary establishment.

16 “(E) Is insolvent or incompetent or physically unable to carry on the  
17 management of the establishment of the licensee.

18 “(F) Is in the habit of using alcoholic liquor, habit-forming drugs or  
19 controlled substances to excess.

20 “(G) Has knowingly sold alcoholic liquor to persons under 21 years of age  
21 or to persons visibly intoxicated at the time of sale.

22 “(H) Has allowed the consumption of alcoholic liquor on the licensed  
23 premises by a person who is visibly intoxicated at the time of consumption.

24 “(I) Has misrepresented to a customer or the public any alcoholic liquor  
25 sold by the licensee.

26 “(J) Since the granting of the license, has been convicted of a felony, of  
27 violating any of the liquor laws of this state, general or local, or of any  
28 misdemeanor or violation of any municipal ordinance committed on the li-  
29 censed premises.

30 “(b) That any person licensed to sell at retail for consumption on the

1 premises is acting as an agent of, or is a manufacturer or wholesaler of al-  
2 coholic liquors, or has borrowed money or property, or has accepted  
3 gratuities or rebates, or has obtained the use of equipment from any man-  
4 ufacturer or wholesaler of alcoholic liquor or any agent thereof.

5 “(c) That there is a history of serious and persistent problems involving  
6 disturbances, lewd or unlawful activities or noise either in the premises or  
7 involving patrons of the establishment in the immediate vicinity of the  
8 premises if the activities in the immediate vicinity of the premises are re-  
9 lated to the sale or service of alcohol under the exercise of the license  
10 privilege. Behavior that is grounds for cancellation or suspension of a license  
11 under this section, where so related to the sale or service of alcohol, includes  
12 but is not limited to obtrusive or excessive noise, music or sound vibrations;  
13 public drunkenness; fights; altercations; harassment or unlawful drug sales;  
14 alcohol or related litter; trespassing on private property; and public  
15 urination. Mitigating factors include a showing by the licensee that the  
16 problems are not serious or persistent or that the licensee has demonstrated  
17 a willingness and ability to control adequately the licensed premises and  
18 patrons’ behavior in the immediate vicinity of the premises which is related  
19 to the licensee’s sale or service of alcohol under the licensee’s exercise of the  
20 license privilege.

21 “(d) That there is any other reason that, in the opinion of the commission,  
22 based on public convenience or necessity, warrants canceling or suspending  
23 such license.

24 “(2) Civil penalties under this section shall be imposed as provided in  
25 ORS 183.745.

26 “**SECTION 253.** ORS 471.316 is amended to read:

27 “471.316. (1) Notwithstanding any other provision of this chapter, the  
28 Oregon Liquor Control **and Cannabis** Commission shall suspend the license  
29 of a licensed premises listed in subsection (4) of this section if the commis-  
30 sion determines that:

1       “(a) Unlawful drug use or sales are occurring on the licensed premises;

2       “(b) The licensee is aware of the unlawful drug use or sales because of  
3 arrests for unlawful drug sales on the licensed premises or seizures of un-  
4 lawful drugs on the licensed premises, or because the licensee or employees  
5 of the licensee have personally witnessed unlawful drug use or sales on the  
6 licensed premises; and

7       “(c) The licensee fails to take immediate and effective action to prevent  
8 unlawful drug use or sales on the licensed premises.

9       “(2) In addition to any suspension imposed under this section, the com-  
10 mission may impose a civil penalty under the circumstances described in  
11 subsection (1) of this section not to exceed the maximum amount established  
12 under ORS 471.322 (2). Notwithstanding ORS 471.322 (1), the commission  
13 shall not allow payment of a civil penalty under this subsection in lieu of  
14 the suspension provided for in subsection (1) of this section. A civil penalty  
15 under this section shall be imposed in the manner provided by ORS 183.745.

16       “(3) The commission may cancel a license listed in subsection (4) of this  
17 section if the license is suspended under the provisions of this section two  
18 or more times within a two-year period.

19       “(4) This section applies only to premises licensed under:

20       “(a) A full on-premises sales license.

21       “(b) A limited on-premises sales license.

22       “(c) A brewery-public house license.

23       “**SECTION 254.** ORS 471.322 is amended to read:

24       “471.322. (1) If a license issued under this chapter or a service permit is-  
25 sued under ORS 471.360 is suspended for a period of 30 days or less, the  
26 Oregon Liquor Control **and Cannabis** Commission may impose against the  
27 affected licensee or permittee in lieu of or in addition to the suspension a  
28 civil penalty fixed by the commission in accordance with subsection (2) of  
29 this section if the commission is satisfied that such a penalty in lieu of or  
30 in addition to suspension is consistent with the purposes of the Liquor

1 Control Act and the Oregon Distilled Liquor Control Act. Upon payment of  
2 the penalty in lieu of suspension, the commission shall cancel the suspension.

3 “(2) Except as provided in ORS 471.327, the penalty which the commission  
4 may impose pursuant to subsection (1) of this section against a licensee shall  
5 not be less than \$100 nor more than \$5,000. The penalty which the commis-  
6 sion may impose pursuant to subsection (1) of this section against a service  
7 permittee shall not be less than \$25 nor more than \$500.

8 “(3) Civil penalties under this section shall be imposed as provided in  
9 ORS 183.745.

10 “**SECTION 255.** ORS 471.326 is amended to read:

11 “471.326. If the action of the Oregon Liquor Control **and Cannabis**  
12 Commission in suspending a license or permit issued under this chapter is  
13 not sustained upon judicial review under ORS chapter 183, the commission  
14 shall promptly refund the amount paid pursuant to ORS 471.322 (1) by check  
15 or order drawn on the State Treasurer from the Oregon Liquor Control **and**  
16 **Cannabis** Commission Account.

17 “**SECTION 256.** ORS 471.327 is amended to read:

18 “471.327. (1) The Oregon Liquor Control **and Cannabis** Commission, in  
19 suspending any brewery license, wholesale wine license, wholesale malt  
20 beverage license, or certificate of approval, may further impose against the  
21 licensee or the holder of the certificate of approval a civil penalty not to  
22 exceed \$5,000, or, in its discretion, may impose such civil penalty without  
23 suspending the license or the certificate of approval.

24 “(2) Civil penalties under this section shall be imposed as provided in  
25 ORS 183.745.

26 “**SECTION 257.** ORS 471.329 is amended to read:

27 “471.329. (1) For the purpose of determining whether there is a history  
28 of serious and persistent problems involving noise under the provisions of  
29 ORS 471.313 (5) and 471.315 (1)(c), or whether the licensee maintains a noisy  
30 establishment in violation of the provisions of ORS 471.425:

1       “(a) Noise from the inside of a licensed premises located within the  
2 boundaries of a city or county that has an ordinance regulating excessive  
3 noise may be considered obtrusive or excessive only if the noise violates the  
4 ordinance;

5       “(b) Noise caused by patrons outside a licensed premises located within  
6 the boundaries of a city or county that has an ordinance regulating excessive  
7 noise may be considered obtrusive or excessive only if the noise violates the  
8 ordinance or if the noise is of a type that a reasonable person would not  
9 expect to hear outside a premises licensed for the sale of alcoholic beverages;  
10 and

11       “(c) Noise caused by patrons inside or outside a licensed premises located  
12 within the boundaries of a city or county that does not have an ordinance  
13 regulating excessive noise may be considered obtrusive or excessive only if  
14 the noise is of the type that a reasonable person would not expect to hear  
15 inside or outside a premises licensed for the sale of alcoholic beverages.

16       “(2) For the purpose of determining whether noise is obtrusive under the  
17 provisions of ORS 471.313 (5) and 471.315 (1)(c), or whether the licensee  
18 maintains a noisy establishment in violation of the provisions of ORS  
19 471.425, the Oregon Liquor Control **and Cannabis** Commission shall consider  
20 whether persons complaining about the noise have taken any action to mit-  
21 igate the disturbance alleged to have been caused by the noise.

22       “**SECTION 258.** ORS 471.331 is amended to read:

23       “471.331. (1) Whenever the Oregon Liquor Control **and Cannabis** Com-  
24 mission proposes to refuse to renew or to suspend or cancel any license is-  
25 sued under this chapter because of adverse neighborhood impact of the  
26 licensee’s operation, notwithstanding ORS 183.435, the commission shall  
27 grant the affected licensee 20 days from notification of the proposed com-  
28 mission action to request a hearing.

29       “(2) Notwithstanding ORS 183.482 (3), the Oregon Liquor Control **and**  
30 **Cannabis** Commission shall not stay any order refusing a license or sus-

1 pending or canceling any license if the order was entered on grounds stated  
2 in ORS 471.313 (5) or 471.315 (1)(c).

3 **SECTION 259.** ORS 471.333 is amended to read:

4 “471.333. (1) Except as provided in subsections (2) and (3) of this section,  
5 the Oregon Liquor Control **and Cannabis** Commission shall not refuse to  
6 issue, cancel or suspend a license under ORS 471.313, 471.315 or 471.425 for  
7 maintaining an insanitary establishment.

8 “(2) The commission may refuse to issue, cancel or suspend a license un-  
9 der ORS 471.313, 471.315 or 471.425 for maintaining an insanitary establish-  
10 ment in violation of a city ordinance relating to sanitation only if the  
11 licensee is convicted of violating the ordinance.

12 “(3) The commission may refuse to issue, cancel or suspend a license un-  
13 der ORS 471.313, 471.315 or 471.425 for maintaining an insanitary establish-  
14 ment in violation of ORS 447.010 to 447.156 and 447.992 or the laws, orders  
15 or rules relating to public health of the Oregon Health Authority or the  
16 State Department of Agriculture only when the agency charged with enforc-  
17 ing those laws, orders or rules finds that the licensee is in violation of them  
18 and renders a final order adverse to the licensee.

19 **SECTION 260.** ORS 471.341 is amended to read:

20 “471.341. (1) An employee of an off-premises sales licensee who has been  
21 found by the Oregon Liquor Control **and Cannabis** Commission to have sold  
22 alcoholic beverages to a minor, or to have failed to properly verify identifi-  
23 cation of a person who purchased alcoholic beverages, must attend a clerk  
24 training course approved by the commission as a condition of making sales  
25 of alcoholic beverages to members of the public under an off-premises sales  
26 license.

27 “(2) The commission shall by rule establish times for employees to com-  
28 plete a required clerk training course under this section. An employee re-  
29 quired to complete a clerk training course under this section may continue  
30 to make sales of alcoholic beverages to members of the public until taking

1 such training, but may not make any sales of alcoholic beverages after the  
2 expiration of the time allowed by commission rule if the employee has not  
3 completed the training before the expiration of that time.

4 “(3) Except as provided in subsection (2) of this section, the holder of an  
5 off-premises sales license may not allow an employee who has been found by  
6 the [*Oregon Liquor Control*] commission to have sold alcoholic beverages to  
7 a minor, or to have failed to properly verify identification of a person who  
8 purchased alcoholic beverages, to sell alcoholic beverages under the license  
9 unless the employee completes a clerk training course as required by this  
10 section.

11 “(4) The [*Oregon Liquor Control*] commission, as part of the Alcohol Ed-  
12 ucation Program established under ORS 471.541, shall approve all clerk  
13 training courses offered for the purpose of this section. The holder of an  
14 off-premises sales license may establish a clerk training course for employees  
15 of the licensee, but the course must be approved by the commission to meet  
16 the requirements of this section. Clerk training courses approved under this  
17 section must address at least the following topics:

18 “(a) The importance of not selling alcoholic beverages to minors and  
19 visibly intoxicated persons.

20 “(b) Guidelines for recognizing minors and visibly intoxicated persons.

21 “(c) Guidelines for checking and verifying identification, and for recog-  
22 nizing false or altered identification.

23 “(d) Recommended approaches for refusing sales of alcoholic beverages to  
24 minors and visibly intoxicated persons.

25 “(5) If an employee of an off-premises sales licensee is found to have sold  
26 alcoholic beverages to a minor, or to have failed to properly verify identifi-  
27 cation of a person who purchased alcoholic beverages, the commission shall  
28 notify the licensee that the employee must complete a clerk training course  
29 approved under this section and may not sell alcoholic beverages to members  
30 of the public after the time established by the commission unless the em-

1 ployee completes the training within the time allowed. If the off-premises  
2 sales licensee offers a clerk training course to new employees, and the em-  
3 ployee has previously completed that course, the requirements of this section  
4 may be met by retaking the clerk training course if the course has been ap-  
5 proved by the commission for the purposes of this section.

6 “(6) Upon completion of a clerk training course by an employee of an  
7 off-premises sales licensee pursuant to the requirements of this section, the  
8 off-premises sales licensee that employs the person must notify the commis-  
9 sion in writing that the employee has successfully completed the training.  
10 The notification must include the name and address of the employee, the  
11 name of the clerk training course attended by the employee, and the date or  
12 dates on which the course was attended. The notification shall be kept by  
13 the commission in the licensee’s file.

14 “(7) The commission shall assess and collect a fee not to exceed \$13 from  
15 each person required to attend a clerk training course under this section.  
16 Amounts collected under this section shall be used for the administrative  
17 expenses incurred by the commission in the performance of the commission’s  
18 duties under the Alcohol Education Program.

19 “(8) In addition to any other penalty provided for by law, the commission  
20 may impose a civil penalty against any employee of an off-premises sales  
21 licensee who sells alcoholic beverages to members of the public and who is  
22 prohibited from making those sales under this section. A civil penalty under  
23 this subsection may not exceed \$500. Civil penalties under this subsection  
24 shall be imposed by the commission in the manner provided by ORS 183.745.

25 **“SECTION 261.** ORS 471.342 is amended to read:

26 “471.342. Upon finding that a retail licensee, as defined in ORS 471.392,  
27 or an employee of a retail licensee has sold alcoholic beverages to a minor,  
28 or has failed to properly verify identification of a person who purchased al-  
29 coholic beverages, the Oregon Liquor Control **and Cannabis** Commission  
30 may allow the licensee, in lieu of a civil penalty or denial, suspension or



1 cancellation of the license, to acquire and use equipment designed to prevent  
2 sales of alcoholic beverages to minors.

3 **“SECTION 262.** ORS 471.344 is amended to read:

4 “471.344. (1) The Oregon Liquor Control **and Cannabis** Commission shall  
5 by rule establish a responsible vendor program. The program shall include  
6 a list of positive measures that a licensee must take to avoid sales of alco-  
7 holic beverages to minors. Any person holding a liquor license that author-  
8 izes the person to sell alcoholic beverages at retail may participate in the  
9 program.

10 “(2) If a licensee participates in the responsible vendor program and takes  
11 all measures specified by the program as necessary to prevent sales of alco-  
12 holic beverages to minors, the commission may not cancel the license of the  
13 licensee, or deny issuance of a license to the licensee, based on sales of al-  
14 coholic beverages to minors by employees of the licensee.

15 **“SECTION 263.** ORS 471.346 is amended to read:

16 “471.346. (1) The Oregon Liquor Control **and Cannabis** Commission shall  
17 by rule develop uniform standards for minor decoy operations used to inves-  
18 tigate licensees and agents operating stores on behalf of the commission  
19 under ORS 471.750 for violations of the laws of this state prohibiting sales  
20 of alcoholic beverages to minors. Uniform standards established by the com-  
21 mission under this section apply to all investigations conducted by the com-  
22 mission that use minor decoys. The commission shall encourage all law  
23 enforcement agencies of this state to use the uniform standards established  
24 under this section for minor decoy operations conducted by the law enforce-  
25 ment agencies.

26 “(2) To the greatest extent possible, the uniform standards established by  
27 the commission under this section:

28 “(a) Shall be the same for minor decoy operations conducted by the com-  
29 mission and for minor decoy operations conducted by law enforcement  
30 agencies of this state; and

1       “(b) Shall provide for coordination between the commission and law  
2 enforcement agencies of this state in conducting minor decoy operations.

3       “(3) The uniform standards established by the commission under this  
4 section shall provide that minor decoy operations must be conducted on ei-  
5 ther a random or a targeted basis in cities with populations of 20,000 or  
6 more. Random minor decoy operations shall cover a range of retail outlets.  
7 Targeted minor decoy operations may be conducted for a single licensee or  
8 agent, but may be used only if there is a documented compliance problem  
9 with the specific licensee or agent that is the target of the operation. For  
10 the purpose of implementing standards for random minor decoy operations  
11 under this subsection, the commission shall by rule adopt a methodology that  
12 produces, to the greatest extent possible, an equal chance that any licensee  
13 or agent will be subject to a minor decoy operation.

14       “(4) Except as provided in subsection (5) of this section, the failure of the  
15 commission or of a law enforcement agency to follow uniform standards es-  
16 tablished by the commission under this section is not grounds for challenging  
17 any complaint, citation or conviction for violation of the laws prohibiting  
18 the sale of alcoholic beverages to minors.

19       “(5) In determining whether to impose sanctions based on multiple vio-  
20 lations of the laws of this state prohibiting sales of alcoholic beverages to  
21 minors, the commission may not consider any complaint filed against a  
22 licensee for selling alcoholic beverages to a minor, citation issued to a  
23 licensee for selling alcoholic beverages to a minor or conviction of a licensee  
24 for selling alcoholic beverages to a minor if the complaint, citation or con-  
25 viction arose out of a minor decoy operation that was not conducted pursu-  
26 ant to the uniform standards established by the commission under this  
27 section.

28       “(6) Notwithstanding any other provision of this chapter, the commission  
29 may not consider any sale of alcoholic beverages to a minor that results from  
30 a minor decoy operation that is not conducted in compliance with the stan-

1 dards established under this section for the purpose of imposing any civil  
2 penalty against a licensee, making a decision on the renewal, suspension or  
3 cancellation of a license issued under this chapter or otherwise sanctioning  
4 a licensee for the sale of alcoholic beverages to a minor.

5 “(7) The commission shall give notice of the uniform standards established  
6 under this section to all law enforcement agencies of this state that conduct  
7 minor decoy operations.

8 **“SECTION 264.** ORS 471.351 is amended to read:

9 “471.351. (1) The Oregon Liquor Control **and Cannabis** Commission has  
10 the right after 72 hours’ notice to the owner or the agent of the owner to  
11 make an examination of the books and may at any time make an examination  
12 of the premises of any person licensed under this chapter, or to check the  
13 alcoholic content of liquors carried by the licensee, for the purpose of de-  
14 termining compliance with this chapter and the rules of the commission.

15 “(2) The commission shall not require the books of any licensee to be  
16 maintained on the premises of the licensee.

17 **“SECTION 265.** ORS 471.360 is amended to read:

18 “471.360. (1) Except as otherwise provided in ORS 471.375:

19 “(a) Any person employed by a licensee of the Oregon Liquor Control **and**  
20 **Cannabis** Commission must have a valid service permit issued by the com-  
21 mission if the person:

22 “(A) Participates in any manner in the mixing, selling or service of alco-  
23 holic liquor for consumption on the premises where served or sold; or

24 “(B) Participates in the dispensing of malt beverages, wines or cider sold  
25 in securely covered containers provided by the consumer.

26 “(b) A licensee of the commission may not permit any person who lacks  
27 a service permit required of the person under paragraph (a) of this sub-  
28 section:

29 “(A) To mix, sell or serve any alcoholic liquor for consumption on li-  
30 censed premises; or

1       “(B) To dispense malt beverages, wines or cider sold in securely covered  
2 containers provided by the consumer.

3       “(c) A permittee shall make the service permit available at any time while  
4 on duty for immediate inspection by any regulatory specialist or by any other  
5 peace officer.

6       “(2) The commission may waive the requirement for a service permit for  
7 an employee of a licensee whose primary function is not the sale of alcoholic  
8 liquor or food, including but not limited to public passenger carriers, hospi-  
9 tals, or convalescent, nursing or retirement homes.

10       “**SECTION 266.** ORS 471.380 is amended to read:

11       “471.380. (1) The Oregon Liquor Control **and Cannabis** Commission may  
12 refuse to grant a service permit if it has reasonable grounds to believe any  
13 of the following to be true:

14       “(a) That the applicant is in the habit of using alcoholic beverages or  
15 controlled substances to excess.

16       “(b) That the applicant has made false statements to the commission.

17       “(c) That the applicant is incompetent or physically incapable of per-  
18 forming the duties of a permittee.

19       “(d) That the applicant has been convicted of violating any of the alco-  
20 holic liquor laws of this state, general or local, or has been convicted at any  
21 time of a felony.

22       “(e) That the application has not been indorsed as required by ORS  
23 471.375.

24       “(f) That the applicant has not completed the alcohol server education  
25 course and examination required by ORS 471.542.

26       “(2) Notwithstanding ORS 183.435, an applicant who seeks review of the  
27 refusal of a service permit must request a hearing:

28       “(a) Within 15 days after notification of the refusal, if the refusal is based  
29 on failure to complete the alcohol server education course and examination;

30 or

1       “(b) Within 30 days after notification of the refusal, if the refusal is based  
2 on any grounds other than failure to complete the alcohol server education  
3 course and examination.

4       “**SECTION 267.** ORS 471.385 is amended to read:

5       “471.385. (1) The Oregon Liquor Control **and Cannabis** Commission may  
6 revoke or suspend a service permit, or impose a civil penalty in lieu of or  
7 in addition to suspension as provided by ORS 471.322, if it finds or has rea-  
8 sonable grounds to believe any of the following to be true:

9       “(a) That the permittee has made false statements to the commission.

10       “(b) That the permittee has been convicted of a felony, of violating any  
11 of the liquor laws of the state, general or local, or any misdemeanor or vio-  
12 lation of any municipal ordinance committed on the licensed premises.

13       “(c) That the permittee has performed or permitted any act which would  
14 constitute a violation of any provision of this chapter or any rule of the  
15 commission, if the act were performed or permitted by any licensee of the  
16 commission.

17       “(2) The issuance, suspension or revocation of a permit under ORS 471.360  
18 to 471.390 does not relieve a licensee from responsibility for any act of an  
19 employee on the licensee’s premises.

20       “(3) When there has been a violation of this chapter or any rule adopted  
21 thereunder upon any premises licensed by the commission, the commission  
22 may revoke or suspend either the service permit of the employee who vio-  
23 lated the law or rule or the license of the licensee upon whose premises the  
24 violation occurred, or both the permit and the license.

25       “(4) The commission may revoke or suspend any license issued by the  
26 commission if the licensee knowingly indorses a person’s application for a  
27 permit when the person has been refused a permit or has had a permit sus-  
28 pended or revoked, or when the licensee fails to comply with any provision  
29 to be performed by the licensee under ORS 471.360 to 471.390.

30       “(5) Civil penalties under this section shall be imposed as provided in

1 ORS 183.745.

2 **SECTION 268.** ORS 471.390 is amended to read:

3 “471.390. (1) If a service permit issued under ORS 471.360 to 471.390 is lost,  
4 mutilated or destroyed, the permittee shall apply immediately for a duplicate  
5 permit on a form to be supplied by the Oregon Liquor Control **and Cannabis**  
6 Commission and submit a fee of \$5.

7 “(2) If a permittee changes name by marriage or otherwise, the permittee  
8 shall apply immediately for a new service permit by forwarding the permit  
9 and evidence of the change of name to the commission with an application  
10 and a fee of \$5.

11 **SECTION 269.** ORS 471.396 is amended to read:

12 “471.396. (1) The prohibitions of ORS 471.394 (1) do not apply to persons  
13 holding winery licenses, grower sales privilege licenses, brewery-public house  
14 licenses, distillery licenses or brewery licenses, to the extent that retail sales  
15 are authorized by the statutes establishing the privileges of each license.

16 “(2)(a) The prohibitions of ORS 471.394 (2) and (3) do not apply to a per-  
17 son who wholesales alcoholic liquor and who is not required to be licensed  
18 under the provisions of this chapter if the retail licensee does not sell any  
19 brand of alcoholic liquor sold or distributed by the person and does not sell  
20 any brand of alcoholic liquor produced by any manufacturer doing business  
21 with the person selling at wholesale.

22 “(b) The prohibitions of ORS 471.394 (2) and (3) do not apply to a man-  
23 ufacturer of alcoholic liquor if the retail licensee does not sell any brand of  
24 alcoholic liquor sold, distributed or produced by the manufacturer and does  
25 not sell any brand of alcoholic liquor sold, distributed or produced by any  
26 subsidiary or other business entity that the manufacturer owns or manages,  
27 or that the manufacturer exercises control over.

28 “(3) The prohibitions of ORS 471.394 do not apply solely by reason of the  
29 family relationship of a spouse or family member to a manufacturer or  
30 wholesaler if:

1       “(a) The manufacturer or wholesaler is licensed by the Oregon Liquor  
2 Control **and Cannabis** Commission to sell alcoholic liquor at wholesale;

3       “(b) The license authorizing sale of alcoholic liquor at wholesale was first  
4 issued before January 1, 1965, and has been held continuously since that  
5 date;

6       “(c) The spouse or family member holds or seeks a license that authorizes  
7 the retail sale of alcoholic liquor for off-premises consumption only; and

8       “(d) The manufacturer or wholesaler does not directly or indirectly sell  
9 alcoholic liquor to the spouse or family member.

10       “(4) The prohibitions of ORS 471.394 do not apply solely by reason of the  
11 family relationship of a spouse or family member to the retail licensee if the  
12 manufacturer or wholesaler is licensed by the commission to sell alcoholic  
13 liquor at wholesale and does not directly or indirectly sell alcoholic liquor  
14 to the spouse or family member.

15       “(5) Notwithstanding ORS 471.394, a manufacturer or wholesaler, and any  
16 officer, director or substantial stockholder of any corporate manufacturer or  
17 wholesaler, may hold, directly or indirectly, an interest in a full or limited  
18 on-premises sales licensee, provided that the interest does not result in ex-  
19 ercise of control over, or participation in the management of, the licensee’s  
20 business or business decisions, and does not result in exclusion of any  
21 competitor’s brand of alcoholic liquor.

22       “(6) Notwithstanding ORS 471.394, a full or limited on-premises sales  
23 licensee, and any officer, director or substantial stockholder of any corporate  
24 full or limited on-premises sales licensee, may hold, directly or indirectly,  
25 an interest in a manufacturer or wholesaler, provided that the interest does  
26 not result in exercise of control over, or participation in the management  
27 of, the manufacturer’s or wholesaler’s business or business decisions, and  
28 does not result in exclusion of any competitor’s brand of alcoholic liquor.

29       “(7) Notwithstanding ORS 471.394, an institutional investor with a finan-  
30 cial interest in a wholesaler or manufacturer may hold, directly or indirectly,

1 an interest in a retail licensee unless the institutional investor controls, is  
2 controlled by, or is under common control with, a wholesaler or manufac-  
3 turer. Notwithstanding ORS 471.394, an institutional investor with a finan-  
4 cial interest in a retail licensee may hold, directly or indirectly, an interest  
5 in a wholesaler or manufacturer unless the institutional investor controls,  
6 is controlled by, or is under common control with, a retail licensee. The  
7 provisions of this subsection apply only to an institutional investor that is  
8 a state or federally chartered bank, a state or federally chartered mutual  
9 savings bank, a mutual fund or pension fund, or a private investment firm.  
10 The principal business activity of the institutional investor must be the in-  
11 vestment of capital provided by depositors, participants or investors. The  
12 institutional investor must maintain a diversified portfolio of investments.  
13 The majority of the institutional investor's investments may not be in busi-  
14 nesses that manufacture, distribute or otherwise sell alcoholic beverages.  
15 The institutional investor, and the officers, directors, substantial sharehold-  
16 ers, partners, employees and agents of the institutional investor, may not  
17 participate in management decisions relating to the sale or purchase of al-  
18 coholic beverages made by a licensee in which the institutional investor  
19 holds an interest.

20 “(8) Notwithstanding ORS 471.394, a member of the board of directors of  
21 a parent company of a corporation that is a manufacturer may serve on the  
22 board of directors of a parent company of a corporation that is a retail  
23 licensee if:

24 “(a) The manufacturer or parent company of a manufacturer is listed on  
25 a national security exchange;

26 “(b) All purchases of alcoholic beverages by the retail licensee are made  
27 from holders of wholesale malt beverage and wine licenses, brewery licenses  
28 or winery licenses in this state;

29 “(c) The interest of the member of the board of directors does not result  
30 in the exclusion of any competitor's brand of alcoholic beverages on the li-



1 censed premises of the retail licensee; and

2 “(d) The sale of goods and services other than alcoholic beverages by the  
3 retail licensee exceeds 50 percent of the gross receipts of the business con-  
4 ducted by the retail licensee on the licensed premises.

5 **“SECTION 270.** ORS 471.400 is amended to read:

6 “471.400. (1) Notwithstanding ORS 471.394 and 471.398, a manufacturer or  
7 wholesaler may lease or furnish picnic pumps, cold plates, tubs, refrigerated  
8 trailers, refrigerated vans and refrigerated draft systems to a retail licensee  
9 if the equipment is leased or furnished for a special event, if a reasonable  
10 rental or service fee is charged for the equipment and if the period that the  
11 equipment is leased or furnished does not exceed 10 days.

12 “(2) Notwithstanding ORS 471.394 and 471.398, the Oregon Liquor Control  
13 **and Cannabis** Commission may specify by rule the manner and circum-  
14 stances under which a manufacturer or wholesaler may provide products and  
15 services to a nonprofit special licensee.

16 “(3)(a) Notwithstanding ORS 471.394 and 471.398, the commission shall  
17 allow the sale of nonalcoholic products in the manner in which the nonal-  
18 coholic product is sold by a manufacturer or wholesaler not licensed by the  
19 commission. The commission may limit merchandising practices involving  
20 nonalcoholic products if the commission finds that the limitations are nec-  
21 essary to prevent abuses of ORS 471.394 and 471.398 by the industry as a  
22 whole.

23 “(b) Any fixtures, equipment or furnishings provided by a manufacturer  
24 or wholesaler in furtherance of the sale of nonalcoholic products may not  
25 be used by the retail licensee to store, service, display, advertise, furnish or  
26 sell, or aid in the sale of, alcoholic products regulated by the commission.  
27 All such fixtures, equipment or furnishings must be identified by the retail  
28 licensee as being furnished by a licensed manufacturer or wholesaler.

29 **“SECTION 271.** ORS 471.403 is amended to read:

30 “471.403. (1) Except as provided in this section, a person may not brew,

1 ferment, distill, blend or rectify any alcoholic liquor unless licensed so to  
2 do by the Oregon Liquor Control **and Cannabis** Commission.

3 “(2) The holder of a brewery-public house license or a brewery license  
4 may allow patrons to brew malt beverages not to exceed 14 percent alcoholic  
5 content by volume if the brewing is conducted under the direct supervision  
6 of the licensee or employees of the licensee. Malt beverages produced under  
7 this subsection may not be sold by the patron.

8 “(3) The holder of a winery license may allow patrons to make wine if the  
9 winemaking is conducted under the direct supervision of the licensee or  
10 employees of the licensee. Wine produced under this subsection may not be  
11 sold by the patron.

12 “(4) A person may make homemade beer, wine and fermented fruit juice  
13 as authorized under ORS 471.037. A person may provide assistance to another  
14 in making the homemade beer, wine or fermented fruit juice, if the person  
15 does not receive financial consideration as defined in ORS 471.037 for pro-  
16 viding the assistance.

17 “**SECTION 272.** ORS 471.404 is amended to read:

18 “471.404. (1) Alcoholic liquor may not be imported into this state by any  
19 person other than a holder of a brewery, winery, distillery or wholesaler’s  
20 license, except as follows:

21 “(a) Alcoholic liquor ordered by and en route to the Oregon Liquor Con-  
22 trol **and Cannabis** Commission, under a certificate of approval issued by the  
23 commission.

24 “(b) Wines for sacramental purposes according to rules adopted by the  
25 commission.

26 “(c) Alcoholic liquor that is in transit on a common carrier to a destina-  
27 tion outside Oregon.

28 “(d) Alcoholic liquor coming into Oregon on a common carrier according  
29 to orders placed by a licensed brewery, winery or wholesaler.

30 “(e) Grain and ethyl alcohol for scientific, pharmaceutical, manufacturing,

1 mechanical or industrial use, under a certificate of approval issued by the  
2 commission.

3 “(f) Wine or cider that is sold and transported by the holder of a wine  
4 self-distribution permit to a retail licensee that has the endorsement de-  
5 scribed in ORS 471.274 (5).

6 “(g) Malt beverages, wine or cider shipped directly to a resident of this  
7 state under a direct shipper permit issued pursuant to ORS 471.282.

8 “(2) The commission may require importers of alcoholic liquor to pay a  
9 reasonable handling fee based on the quantity and type of alcoholic liquor  
10 being imported.

11 **“SECTION 273.** ORS 471.405 is amended to read:

12 “471.405. (1) No person shall peddle or deliver alcoholic beverages to or  
13 at any place, where, without a license, alcoholic beverages are sold or offered  
14 for sale. No licensee shall sell or offer for sale any alcoholic beverage in a  
15 manner, or to a person, other than the license permits the licensee to sell.

16 “(2) No person shall purchase, possess, transport or import, except for  
17 sacramental purposes, an alcoholic beverage unless it is procured from or  
18 through the Oregon Liquor Control **and Cannabis** Commission, except as  
19 provided otherwise in the Liquor Control Act.

20 “(3) No person not licensed under the Liquor Control Act shall sell, so-  
21 licit, take orders for or peddle alcoholic beverages.

22 “(4) Notwithstanding the provisions of subsection (2) of this section, an  
23 individual entering the state may have in possession an amount not to exceed  
24 four liters (135.2 fluid ounces) of distilled liquor, two cases of wine or cider  
25 (620 fluid ounces) and two cases of malt beverages (576 fluid ounces). These  
26 quantities of alcoholic beverages are exempt from fees collected by the com-  
27 mission.

28 “(5) Upon conviction for unlawfully purchasing or importing alcoholic  
29 beverages into this state, the person convicted shall forfeit to the commission  
30 the alcoholic beverage so purchased or imported. The commission shall

1 thereupon seize the forfeited beverage and it shall then become the  
2 commission's property.

3 **SECTION 274.** ORS 471.410 is amended to read:

4 "471.410. (1) A person may not sell, give or otherwise make available any  
5 alcoholic liquor to any person who is visibly intoxicated.

6 "(2) No one other than the person's parent or guardian may sell, give or  
7 otherwise make available any alcoholic liquor to a person under the age of  
8 21 years. A parent or guardian may give or otherwise make alcoholic liquor  
9 available to a person under the age of 21 years only if the person is in a  
10 private residence and is accompanied by the parent or guardian. A person  
11 violates this subsection who sells, gives or otherwise makes available alco-  
12 holic liquor to a person with the knowledge that the person to whom the  
13 liquor is made available will violate this subsection.

14 "(3)(a) A person who exercises control over private real property may not  
15 knowingly allow any other person under the age of 21 years who is not a  
16 child or minor ward of the person to consume alcoholic liquor on the prop-  
17 erty, or allow any other person under the age of 21 years who is not a child  
18 or minor ward of the person to remain on the property if the person under  
19 the age of 21 years consumes alcoholic liquor on the property.

20 "(b) This subsection:

21 "(A) Applies only to a person who is present and in control of the lo-  
22 cation at the time the consumption occurs;

23 "(B) Does not apply to the owner of rental property, or the agent of an  
24 owner of rental property, unless the consumption occurs in the individual  
25 unit in which the owner or agent resides; and

26 "(C) Does not apply to a person who exercises control over a private  
27 residence if the liquor consumed by the person under the age of 21 years is  
28 supplied only by an accompanying parent or guardian.

29 "(4) This section does not apply to sacramental wine given or provided  
30 as part of a religious rite or service.

1       “(5) Except as provided in subsections (6) and (7) of this section, a person  
2 who violates subsection (1) or (2) of this section commits a Class A  
3 misdemeanor. Upon violation of subsection (2) of this section, the court shall  
4 impose at least a mandatory minimum sentence as follows:

5       “(a) Upon a first conviction, a fine of at least \$500.

6       “(b) Upon a second conviction, a fine of at least \$1,000.

7       “(c) Upon a third or subsequent conviction, a fine of at least \$1,500 and  
8 not less than 30 days of imprisonment.

9       “(6)(a) A person who violates subsection (2) of this section is subject to  
10 the provisions of this subsection if the person does not act knowingly or  
11 intentionally and:

12       “(A) Is licensed or appointed under this chapter; or

13       “(B) Is an employee of a person licensed or appointed under this chapter  
14 and holds a valid service permit or has attended a program approved by the  
15 Oregon Liquor Control **and Cannabis** Commission that provides training to  
16 avoid violations of this section.

17       “(b) For a person described in paragraph (a) of this subsection:

18       “(A) A first conviction is a Class A violation.

19       “(B) A second conviction is a specific fine violation, and the presumptive  
20 fine for the violation is \$860.

21       “(C) A third conviction is a Class A misdemeanor. The court shall impose  
22 a mandatory fine of not less than \$1,000.

23       “(D) A fourth or subsequent conviction is a Class A misdemeanor. The  
24 court shall impose a mandatory fine of not less than \$1,000 and a mandatory  
25 sentence of not less than 30 days of imprisonment.

26       “(7) For an employee of an off-premises sales licensee who violates sub-  
27 section (2) of this section while operating a checkout device and does not  
28 act knowingly or intentionally, a first conviction is a Class A violation.

29       “(8) The court may waive an amount that is at least \$200 but not more  
30 than one-third of the fine imposed under subsection (5) of this section, if the

1 violator performs at least 30 hours of community service.

2 “(9) Except as provided in subsection (8) of this section, the court may  
3 not waive or suspend imposition or execution of the mandatory minimum  
4 sentence required by subsection (5) or (6) of this section. In addition to the  
5 mandatory sentence, the court may require the violator to make restitution  
6 for any damages to property where the alcoholic liquor was illegally con-  
7 sumed or may require participation in volunteer service to a community  
8 service agency.

9 “(10)(a) Except as provided in paragraph (b) of this subsection, a person  
10 who violates subsection (3) of this section commits a Class A violation.

11 “(b) A second or subsequent violation of subsection (3) of this section is  
12 a specific fine violation, and the presumptive fine for the violation is \$1,000.

13 “(11) Nothing in this section prohibits any licensee under this chapter  
14 from allowing a person who is visibly intoxicated from remaining on the li-  
15 censed premises so long as the person is not sold or served any alcoholic li-  
16 quor.

17 “**SECTION 275.** ORS 471.412 is amended to read:

18 “471.412. (1) A licensee or permittee may not allow a person to consume  
19 or to continue to consume alcoholic beverages on the licensed premises after  
20 observing that the person is visibly intoxicated.

21 “(2) A licensee or permittee is not in violation of subsection (1) of this  
22 section if the licensee or permittee makes a good faith effort to remove any  
23 unconsumed alcoholic beverages from the person’s possession when the  
24 licensee or permittee observes that the person is visibly intoxicated.

25 “(3) Nothing in this section applies to determining liability under ORS  
26 471.565.

27 “(4) Notwithstanding any other provision of law, the Oregon Liquor  
28 Control **and Cannabis** Commission shall only impose letters of reprimand  
29 for the first three violations of this section within a two-year period. For  
30 license renewal purposes, the first three violations of this section in a two-

1 year period do not apply in determining the past record of compliance under  
2 ORS 471.313 (4)(g).

3 **“SECTION 276.** ORS 471.425 is amended to read:

4 “471.425. (1) No person shall make false representations or statements to  
5 the Oregon Liquor Control **and Cannabis** Commission in order to induce or  
6 prevent action by the commission.

7 “(2) No licensee of the commission shall maintain a noisy, lewd, disor-  
8 derly or insanitary establishment or supply impure or otherwise deleterious  
9 alcoholic beverages.

10 “(3) No licensee of the commission shall misrepresent to a customer or  
11 to the public any alcoholic liquor sold by such licensee.

12 **“SECTION 277.** ORS 471.430 is amended to read:

13 “471.430. (1) A person under 21 years of age may not attempt to purchase,  
14 purchase or acquire alcoholic beverages. Except when such minor is in a  
15 private residence accompanied by the parent or guardian of the minor and  
16 with such parent’s or guardian’s consent, a person under 21 years of age may  
17 not have personal possession of alcoholic beverages.

18 “(2) For the purposes of this section, personal possession of alcoholic  
19 beverages includes the acceptance or consumption of a bottle of such  
20 beverages, or any portion thereof or a drink of such beverages. However, this  
21 section does not prohibit the acceptance or consumption by any person of  
22 sacramental wine as part of a religious rite or service.

23 “(3) Except as authorized by rule or as necessitated in an emergency, a  
24 person under 21 years of age may not enter or attempt to enter any portion  
25 of a licensed premises that is posted or otherwise identified as being pro-  
26 hibited to the use of minors.

27 “(4)(a) Except as provided in paragraph (b) of this subsection, a person  
28 who violates subsection (1) or (3) of this section commits a Class B violation.

29 “(b) A person commits a Class A violation if the person violates sub-  
30 section (1) of this section by reason of personal possession of alcoholic

1 beverages while the person is operating a motor vehicle, as defined in ORS  
2 801.360.

3 “(5) In addition to and not in lieu of any other penalty established by law,  
4 a person under 21 years of age who violates subsection (1) of this section  
5 through misrepresentation of age may be required to perform community  
6 service and the court shall order that the person’s driving privileges and  
7 right to apply for driving privileges be suspended for a period not to exceed  
8 one year. If a court has issued an order suspending driving privileges under  
9 this section, the court, upon petition of the person, may withdraw the order  
10 at any time the court deems appropriate. The court notification to the De-  
11 partment of Transportation under this subsection may include a recommen-  
12 dation that the person be granted a hardship permit under ORS 807.240 if the  
13 person is otherwise eligible for the permit.

14 “(6) If a person cited under this section is at least 13 years of age but less  
15 than 21 years of age at the time the person is found in default under ORS  
16 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of  
17 any other penalty, the court shall issue notice under ORS 809.220 to the de-  
18 partment for the department to suspend the person’s driving privileges under  
19 ORS 809.280 (4).

20 “(7) In addition to and not in lieu of any penalty established by law, the  
21 court may order a person who violates this section to undergo assessment  
22 and treatment as provided in ORS 471.432. The court shall order a person to  
23 undergo assessment and treatment as provided in ORS 471.432 if the person  
24 has previously been found to have violated this section.

25 “(8) The prohibitions of this section do not apply to a person under 21  
26 years of age who is acting under the direction of the Oregon Liquor Control  
27 **and Cannabis** Commission or under the direction of state or local law  
28 enforcement agencies for the purpose of investigating possible violations of  
29 laws prohibiting sales of alcoholic beverages to persons who are under 21  
30 years of age.



1       “(9) The prohibitions of this section do not apply to a person under 21  
2 years of age who is acting under the direction of a licensee for the purpose  
3 of investigating possible violations by employees of the licensee of laws  
4 prohibiting sales of alcoholic beverages to persons who are under 21 years  
5 of age.

6       “(10)(a) A person under 21 years of age is not in violation of, and is im-  
7 mune from prosecution under, this section if:

8       “(A) The person contacted emergency medical services or a law enforce-  
9 ment agency in order to obtain medical assistance for another person who  
10 was in need of medical assistance due to alcohol consumption and the evi-  
11 dence of the violation of this section was obtained as a result of the person’s  
12 having contacted emergency medical services or a law enforcement agency;  
13 or

14       “(B) The person was in need of medical assistance due to alcohol con-  
15 sumption and the evidence of the violation of this section was obtained as  
16 a result of the person’s having sought or obtained the medical assistance.

17       “(b) Paragraph (a) of this subsection does not exclude the use of evidence  
18 obtained as a result of a person’s having sought medical assistance in pro-  
19 ceedings for crimes or offenses other than a violation of this section.

20       “**SECTION 278.** ORS 471.442 is amended to read:

21       “471.442. (1) No wine or cider shall be sold or offered for sale within this  
22 state unless it complies with the minimum standards fixed pursuant to law.

23       “(2) The Oregon Liquor Control **and Cannabis** Commission may require  
24 a manufacturer, importer or wholesaler to provide samples of a particular  
25 wine or cider, and to provide a laboratory analysis demonstrating to the  
26 satisfaction of the commission that the particular wine or cider complies  
27 with the minimum standards in this state.

28       “(3) No wine or cider offered for sale within this state may be altered or  
29 tampered with in any way by any person not licensed to do so by the com-  
30 mission.

1       “(4) The commission may prohibit the sale of any wine or cider for a  
2 reasonable period of time while it is determining whether the wine or cider  
3 complies with minimum standards in this state.

4       “**SECTION 279.** ORS 471.446 is amended to read:

5       “471.446. (1) No retail licensee shall purchase any wine or cider for resale  
6 except in sealed containers, the seals of which shall remain unbroken when  
7 it is sold for consumption off the premises.

8       “(2) The Oregon Liquor Control **and Cannabis** Commission may refuse  
9 to sell, or may prohibit any licensee from selling, any brand of alcoholic li-  
10 quor which in its judgment is deceptively labeled or branded as to content,  
11 or contains injurious or adulterated ingredients.

12       “**SECTION 280.** ORS 471.473 is amended to read:

13       “471.473. (1) A person appointed to operate a store established by the  
14 Oregon Liquor Control **and Cannabis** Commission under ORS 471.750 qual-  
15 ifies for the payment of business loss compensation under this section if:

16       “(a) The system for selling containers of distilled liquor at retail in this  
17 state changes after the person assumes operation of the store; and

18       “(b) The system change results from a law that prohibits the commission  
19 from purchasing or selling distilled liquor.

20       “(2) The purpose of business loss compensation is to offset the actual or  
21 presumed sales reduction and actual or perceived devaluation of a liquor  
22 store business following a system change described in subsection (1) of this  
23 section. The commission shall pay a person qualifying under this section  
24 business loss compensation equal to four percent of the average annual gross  
25 distilled liquor sales made by the store during the five years that preceded  
26 the system change, whether or not the person was the store operator during  
27 the entire five-year period. If the store has operated less than five years prior  
28 to the system change, the commission shall pay compensation equal to four  
29 percent of the average annual gross distilled liquor sales made by the store  
30 prior to the system change.

1       “(3)(a) The commission shall pay any business loss compensation due un-  
2 der this section from the suspense account described in ORS 471.805. Except  
3 as otherwise required by federal or state law or by contract, the commission  
4 shall give the payment of business loss compensation priority over the pay-  
5 ment of other debts from the suspense account.

6       “(b) Notwithstanding ORS 279A.250 to 279A.290 or the revolving fund  
7 balance limit established in ORS 471.805, if a change in the system for selling  
8 containers of distilled liquor at retail in this state results in business loss  
9 compensation being payable under this section, and the commission declares  
10 within five years after the system change that a warehouse established by  
11 the commission under ORS 471.750 or the inventory of the commission is  
12 surplus property, the net proceeds from sale of the warehouse or inventory  
13 remaining after deduction of sales costs shall be deposited to the suspense  
14 account described in ORS 471.805. All moneys deposited under this paragraph  
15 shall be kept in a subaccount within the suspense account that indicates the  
16 source of the moneys. Notwithstanding ORS 471.805, moneys deposited to the  
17 suspense account under this paragraph may not be transferred to the Oregon  
18 Liquor Control **and Cannabis** Commission Account if any business loss  
19 compensation is owed and remains unpaid. This paragraph does not restrict  
20 the source for paying business loss compensation from the suspense account  
21 or alter the priority of business loss compensation payment established in  
22 paragraph (a) of this subsection.

23       “(4) If a person that receives business loss compensation under this sec-  
24 tion brings any action against the commission for damages resulting from a  
25 change in the system for selling containers of distilled liquor at retail in this  
26 state, the business loss compensation received by the person as a result of  
27 that system change shall be an offset against any damages awarded the per-  
28 son in the action. This subsection does not create any new cause of action.

29       “(5) Business loss compensation received by a person under this section  
30 does not affect the claiming of any tax deduction by the person for depreci-

1 ation of equipment, fixtures or other property improvements, but is ordinary  
2 business income of the person, taxable as provided by law.

3 **“SECTION 281.** ORS 471.475 is amended to read:

4 “471.475. No person who owns, operates or conducts a private or public  
5 club or place and who is not in possession of a license issued by the Oregon  
6 Liquor Control **and Cannabis** Commission permitting the mixing, storing  
7 and serving of alcoholic liquor at said premises, and no agent, servant or  
8 employee of such person, for a financial consideration by way of a charge for  
9 service, membership fee, admission fee, initiation fee, club dues, contribu-  
10 tions, or other fee or charge, shall serve or permit to be served, or use or  
11 permit to be used, any room, place, bar, glasses, mixers, locker, storage place,  
12 chairs, tables, cash registers, music devices, furniture, furnishings, equipment  
13 or facilities, for the mixing, storing, serving or drinking of alcoholic liquor.

14 **“SECTION 282.** ORS 471.478 is amended to read:

15 “471.478. On and after January 1, 1978:

16 “(1) The Oregon Liquor Control **and Cannabis** Commission by rule shall  
17 require the identification of kegs of malt beverages sold directly to consum-  
18 ers who are not licensees of the commission and the signing of a receipt  
19 therefor by the purchaser in order to allow the kegs to be traced if the  
20 contents are consumed in violation of the Liquor Control Act. The keg  
21 identification shall be in the form of a numbered label prescribed and sup-  
22 plied by the commission which identifies the seller and which is removable  
23 or obliterated when the keg is processed for refilling. The receipt shall be  
24 on a form prescribed and supplied by the commission and shall include the  
25 name and address of the purchaser; motor vehicle operator’s license number,  
26 if any; the automobile registration of the motor vehicle in which the keg  
27 was removed from the seller’s premises, if any; and such other identification  
28 as the commission by rule may require. The receipt shall contain a statement  
29 that must be signed by the purchaser that, under penalty of false swearing,  
30 the purchaser will not allow consumption of any malt beverage in the keg

1 in violation of ORS 471.410. A copy of the receipt shall be given to the pur-  
2 chaser and the seller shall retain the original receipt for such period as the  
3 commission by rule may require.

4 “(2) Possession of a keg containing malt beverages which is not identified  
5 as required by subsection (1) of this section is a Class A misdemeanor.

6 “(3) A person who signs a receipt described in subsection (1) of this sec-  
7 tion in order to obtain a keg, knowing the receipt to be false, or who falsifies  
8 any information required on the receipt, is guilty of false swearing as pre-  
9 scribed by ORS 162.075.

10 “(4) As used in this section, ‘keg’ means any brewery-sealed, individual  
11 container of malt beverage having a liquid capacity of more than seven gal-  
12 lons.

13 “**SECTION 283.** ORS 471.480 is amended to read:

14 “471.480. (1) Any employee 18 years of age or older of a person who holds  
15 an off-premises sales license from the Oregon Liquor Control **and Cannabis**  
16 Commission may sell any alcoholic liquor authorized by such license on the  
17 licensed premises.

18 “(2) Any employee 18 years of age or older of a person who holds a  
19 wholesale malt beverage and wine license from the Oregon Liquor Control  
20 **and Cannabis** Commission may assist the licensee in the delivery of any  
21 alcoholic liquor authorized by such license.

22 “(3) During any inspection of a licensed premises, the commission may  
23 require proof that a person performing work at the premises meets any ap-  
24 plicable minimum age requirement created under this chapter or under com-  
25 mission rules. If the person does not provide the commission with acceptable  
26 proof of age upon request, the commission may require the person to imme-  
27 diately cease any activity that is subject to a minimum age requirement until  
28 the commission receives acceptable proof of age. If the activity is the sole  
29 lawful basis for the person to be present on the premises, the commission  
30 may require that the person leave the premises. This subsection does not

1 apply to a person temporarily at the premises to make a service, maintenance  
2 or repair call, to make a delivery or for other purposes independent of the  
3 premises operations.

4 “(4) If a person performing work that is subject to a minimum age re-  
5 quirement has not provided proof of age requested by the commission under  
6 subsection (3) of this section, the commission may request that the licensee  
7 or a manager of the premises provide proof that the person meets any ap-  
8 plicable minimum age requirement created under this chapter or under com-  
9 mission rules. Failure of the licensee or manager to respond to a request  
10 made under this subsection by providing acceptable proof of age for a person  
11 is prima facie evidence that the licensee has allowed the person to perform  
12 work at the licensed premises in violation of a minimum age requirement.

13 **“SECTION 284.** ORS 471.482 is amended to read:

14 “471.482. (1) The holder of a license issued under this chapter may employ  
15 persons 18, 19 and 20 years of age who may take orders for, serve and sell  
16 alcoholic liquor in any part of the licensed premises when that activity is  
17 incidental to the serving of food except in those areas classified by the  
18 Oregon Liquor Control **and Cannabis** Commission as being prohibited to the  
19 use of minors. However, no person who is 18, 19 or 20 years of age shall be  
20 permitted to mix, pour or draw alcoholic liquor except when pouring is done  
21 as a service to the patron at the patron’s table or drawing is done in a por-  
22 tion of the premises not prohibited to minors.

23 “(2) A person who is 18, 19 or 20 years of age may enter areas classified  
24 by the commission as being prohibited to the use of minors only for the  
25 purpose of ordering and picking up alcoholic liquor for service in other parts  
26 of the premises. However, the person shall not remain in the areas longer  
27 than is necessary to perform those duties.

28 “(3) The commission by rule may permit access to prohibited areas by any  
29 minor for nonalcoholic liquor employment purposes as long as the minor does  
30 not remain longer than is necessary to perform the duties.

1       “(4) During any inspection of a licensed premises, the commission may  
2 require proof that a person performing work at the premises meets any ap-  
3 plicable minimum age requirement created under this chapter or under com-  
4 mission rules. If the person does not provide the commission with acceptable  
5 proof of age upon request, the commission may require the person to imme-  
6 diately cease any activity that is subject to a minimum age requirement until  
7 the commission receives acceptable proof of age. If the activity is the sole  
8 lawful basis for the person to be present on the premises, the commission  
9 may require that the person leave the premises. This subsection does not  
10 apply to a person temporarily at the premises to make a service, maintenance  
11 or repair call, make a delivery or for other purposes independent of the  
12 premises operations.

13       “(5) If a person performing work that is subject to a minimum age re-  
14 quirement has not provided proof of age requested by the commission under  
15 subsection (4) of this section, the commission may request that the licensee  
16 or a manager of the premises provide proof that the person meets any ap-  
17 plicable minimum age requirement created under this chapter or under com-  
18 mission rules. Failure of the licensee or manager to respond to a request  
19 made under this subsection by providing acceptable proof of age for a person  
20 is prima facie evidence that the licensee has allowed the person to perform  
21 work at the licensed premises in violation of a minimum age requirement.

22       “**SECTION 285.** ORS 471.495 is amended to read:

23       “471.495. Any wholesale licensee who receives a check, order, negotiable  
24 instrument or voucher in payment for malt beverages, cider or wine, who  
25 receives an instrument from a retail licensee which, upon presentation, is  
26 not paid by the party on whom it is drawn, shall report such fact forthwith  
27 to the Oregon Liquor Control **and Cannabis** Commission.

28       “**SECTION 286.** ORS 471.500 is amended to read:

29       “471.500. The provisions of ORS 471.485, 471.490 and 471.495 shall not ap-  
30 ply to any common carrier licensed by the Oregon Liquor Control **and**

1 **Cannabis** Commission.

2 **“SECTION 287.** ORS 471.510 is amended to read:

3 “471.510. ORS 471.506 shall not prohibit the sale of pure alcohol for sci-  
4 entific or manufacturing purposes, or of wines to church officials for  
5 sacramental purposes, nor shall it prevent any person residing in the county  
6 or city from ordering and having delivered to the home of the person, for the  
7 personal use of self and family, alcoholic liquors purchased from the Oregon  
8 Liquor Control **and Cannabis** Commission or from persons duly licensed to  
9 sell them under the Liquor Control Act.

10 **“SECTION 288.** ORS 471.541 is amended to read:

11 “471.541. The Oregon Liquor Control **and Cannabis** Commission shall  
12 establish an Alcohol Education Program. The Alcohol Education Program  
13 shall consist of all the duties of the commission in administering clerk  
14 training courses under ORS 471.341 and alcohol server education courses  
15 under ORS 471.542.

16 **“SECTION 289.** ORS 471.542 is amended to read:

17 “471.542. (1) Except as provided in subsection (2) of this section, the  
18 Oregon Liquor Control **and Cannabis** Commission shall require a person  
19 applying for issuance or renewal of a service permit or any license that au-  
20 thORIZES the sale or service of alcoholic beverages for consumption on the  
21 premises to complete an approved alcohol server education course and ex-  
22 amination as a condition of the issuance or renewal of the permit or license.

23 “(2) A person applying for issuance or renewal of a license that authorizes  
24 the sale or service of alcoholic beverages for consumption on the premises  
25 need not complete an approved alcohol server education course and exam-  
26 ination as a condition of the issuance or renewal of the license if:

27 “(a) The license has been restricted by the commission to prohibit sale  
28 or service of alcoholic beverages for consumption on the premises; or

29 “(b) The person applying for issuance or renewal of the license submits  
30 a sworn statement to the commission stating that the person will not engage



1 in sale or service of alcoholic beverages for consumption on the premises,  
2 will not directly supervise or manage persons who sell or serve alcoholic  
3 beverages on the premises, and will not participate in establishing policies  
4 governing the sale or service of alcoholic beverages on the premises.

5 “(3) The commission by rule shall establish requirements that licensees  
6 and permittees must comply with as a condition of requalifying for a license  
7 or permit. The licensee or permittee must comply with those requirements  
8 once every five years after completing the initial alcohol server education  
9 course and examination. The requirements established by the commission to  
10 requalify for a license may include retaking the alcohol server education  
11 course and examination. The requirements established by the commission to  
12 requalify for a service permit shall include retaking the alcohol server edu-  
13 cation course and examination.

14 “(4) The commission may extend the time periods established by this sec-  
15 tion upon a showing of hardship. The commission by rule may exempt a  
16 licensee from the requirements of this section if the licensee does not par-  
17 ticipate in the management of the business.

18 “(5) The standards and curriculum of alcohol server education courses  
19 shall include but not be limited to the following:

20 “(a) Alcohol as a drug and its effects on the body and behavior, especially  
21 driving ability.

22 “(b) Effects of alcohol in combination with commonly used legal, pre-  
23 scription or nonprescription, drugs and illegal drugs.

24 “(c) Recognizing the problem drinker and community treatment programs  
25 and agencies.

26 “(d) State alcohol beverage laws such as prohibition of sale to minors and  
27 sale to intoxicated persons, sale for on-premises or off-premises consumption,  
28 hours of operation and penalties for violation of the laws.

29 “(e) Drunk driving laws and liquor liability statutes.

30 “(f) Intervention with the problem customer, including ways to cut off

1 service, ways to deal with the belligerent customer and alternative means  
2 of transportation to get the customer safely home.

3 “(g) Advertising and marketing for safe and responsible drinking patterns  
4 and standard operating procedures for dealing with customers.

5 “(6) The commission shall impose a fee not to exceed \$2.60 a year for each  
6 license subject to the alcohol server education requirement, and a fee not to  
7 exceed \$13 for each service permit application. These fees shall be used for  
8 administrative costs of the Alcohol Education Program established under  
9 ORS 471.541 and shall be in addition to any other license or permit fees re-  
10 quired by law or rule.

11 “(7) The commission shall adopt rules to impose reasonable fees for ad-  
12 ministrative costs on alcohol server education course instructors and pro-  
13 viders.

14 “(8) The commission shall provide alcohol server education courses and  
15 examinations through independent contractors, private persons or private or  
16 public schools certified by the commission. The commission shall adopt rules  
17 governing the manner in which alcohol server education courses and exam-  
18 inations are made available to persons required to take the course. In  
19 adopting rules under this subsection, the commission shall consider alterna-  
20 tive means of providing courses, including but not limited to providing  
21 courses through audiotapes, videotapes, the Internet and other electronic  
22 media.

23 “**SECTION 290.** ORS 471.547 is amended to read:

24 “471.547. (1) The Oregon Liquor Control **and Cannabis** Commission shall  
25 establish an Alcohol Server Education Advisory Committee. The advisory  
26 committee shall consist of the following members:

27 “(a) One person who represents the commission.

28 “(b) One person who represents the Oregon State Police.

29 “(c) One person who represents the Oregon District Attorneys Associ-  
30 ation.

1 “(d) One person who represents the Oregon Health Authority.

2 “(e) One person who represents the Department of Transportation.

3 “(f) One person who represents a nonprofit organization the purpose of  
4 which is to reduce the incidence of drunk driving.

5 “(g) One person who has general expertise in education.

6 “(h) One person who has expertise in health education.

7 “(i) One person who represents classroom alcohol server education pro-  
8 viders.

9 “(j) One person who represents online alcohol server education providers.

10 “(k) At least one person who is a service permittee under ORS 471.360.

11 “(L) Not more than two persons who represent insurance companies.

12 “(m) Not more than three persons who represent retail licensees.

13 “(2) The purpose of the advisory committee is to assist in the development  
14 of:

15 “(a) The standards, curriculum and materials for the alcohol server edu-  
16 cation courses required under ORS 471.542;

17 “(b) The examination required by ORS 471.542, and procedures for ad-  
18 ministering that examination;

19 “(c) The certification procedures, enforcement policies and penalties for  
20 alcohol server education course instructors and providers; and

21 “(d) The time requirements for completion of an alcohol server education  
22 course and examination and the conditions for probationary extension.

23 “**SECTION 291.** ORS 471.549 is amended to read:

24 “471.549. In addition to such other sanctions as may be authorized by law,  
25 the Oregon Liquor Control **and Cannabis** Commission may impose a civil  
26 penalty not to exceed \$1,000 against any alcohol server education course in-  
27 structor or provider who violates a rule promulgated by the commission  
28 pursuant to ORS 471.542. The civil penalty may be in addition to or in lieu  
29 of any suspension, revocation or cancellation of the certification of an alco-  
30 hol server education course instructor or provider.

1       **“SECTION 292.** ORS 471.551 is amended to read:

2       “471.551. (1) Any person in possession of a valid retail liquor license, who  
3 sells liquor by the drink for consumption on the premises or sells for con-  
4 sumption off the premises, shall post a sign informing the public of the ef-  
5 fects of alcohol consumption during pregnancy.

6       “(2) The sign shall:

7       “(a) Contain the message: ‘Pregnancy and alcohol do not mix. Drinking  
8 alcoholic beverages, including wine, coolers and beer, during pregnancy can  
9 cause birth defects.’

10       “(b) Be either:

11       “(A) A large sign, no smaller than eight and one-half inches by 11 inches  
12 in size with lettering no smaller than five-eighths of an inch in height; or

13       “(B) A reduced sign, five by seven inches in size with lettering of the  
14 same proportion as the large sign described in paragraph (a) of this sub-  
15 section.

16       “(c) Contain a graphic depiction of the message to assist nonreaders in  
17 understanding the message. The depiction of a pregnant female shall be  
18 universal and shall not reflect a specific race or culture.

19       “(d) Be in English unless a significant number of the patrons of the retail  
20 premises use a language other than English as a primary language. In such  
21 cases, the sign shall be worded in both English and the primary language  
22 or languages of the patrons.

23       “(e) Be displayed on the premises of all licensed retail liquor premises as  
24 either a large sign at the point of entry, or a reduced sized sign at points  
25 of sale.

26       “(3) The person described in subsection (1) of this section shall be en-  
27 couraged to also post signs of any size at places where alcoholic beverages  
28 are displayed.

29       “(4) Notwithstanding ORS 471.561, the holder of a retail liquor license  
30 may produce the sign required by this section insofar as the sign is consist-

1 ent with the standards established pursuant to this section, ORS 616.286 and  
2 624.060 and the Oregon Liquor Control **and Cannabis** Commission, and is  
3 displayed in accordance with subsection (2)(e) of this section.

4 **“SECTION 293.** ORS 471.553 is amended to read:

5 “471.553. The Oregon Liquor Control **and Cannabis** Commission shall  
6 consult with representatives of business and industry as well as interested  
7 citizens groups, including the March of Dimes and the Junior League, to  
8 determine the most cost-effective, convenient method to produce and post the  
9 sign described in ORS 471.551, which shall be distributed by the commission.

10 **“SECTION 294.** ORS 471.557 is amended to read:

11 “471.557. The Oregon Liquor Control **and Cannabis** Commission may so-  
12 licit private funds, if necessary, to produce and distribute the signs.

13 **“SECTION 295.** ORS 471.559 is amended to read:

14 “471.559. (1) If no warning sign is posted:

15 “(a) The Oregon Liquor Control **and Cannabis** Commission shall furnish  
16 a warning sign.

17 “(b) The retailer shall have five days from the receipt of the warning sign  
18 to post it appropriately.

19 “(2) If there is a violation of this section or of ORS 471.551, the violator  
20 shall be subject to:

21 “(a) A written warning from the commission for the first violation ac-  
22 companied by a copy of the sign.

23 “(b) A civil penalty of not to exceed \$25 payable to the commission for a  
24 second violation.

25 “(c) A civil penalty of not to exceed \$25 for the third and subsequent vi-  
26 olations for each day the sign is not posted.

27 “(3) The civil penalty imposed under subsection (2) of this section shall  
28 be separate from any other sanction or penalty imposed by the commission  
29 and shall not be used in any progressive violation schedule.

30 “(4) The penalty provided by this section shall be the sole penalty for

1 violation of this section or ORS 471.551 or the rules adopted under section  
2 1, chapter 324, Oregon Laws 1991.

3 “(5) Violation of this section or ORS 471.551 or the rules adopted under  
4 section 1, chapter 324, Oregon Laws 1991, shall not be grounds for refusal  
5 to issue a license, cancellation of a license or suspension of a license issued  
6 under this chapter.

7 “(6) Nothing in this section or ORS 471.551 or the rules adopted under  
8 section 1, chapter 324, Oregon Laws 1991, creates any new cause of action  
9 or any private right of any person.

10 “**SECTION 296.** ORS 471.561 is amended to read:

11 “471.561. By June 30, 1992, the Oregon Liquor Control **and Cannabis**  
12 Commission shall produce and complete distribution of the warning signs,  
13 free of charge, to all holders of retail liquor licenses. The commission shall  
14 produce and distribute additional signs as liquor licenses are granted.

15 “**SECTION 297.** ORS 471.565 is amended to read:

16 “471.565. (1) A patron or guest who voluntarily consumes alcoholic  
17 beverages served by a person licensed by the Oregon Liquor Control **and**  
18 **Cannabis** Commission, a person holding a permit issued by the commission  
19 or a social host does not have a cause of action, based on statute or common  
20 law, against the person serving the alcoholic beverages, even though the al-  
21 coholic beverages are served to the patron or guest while the patron or guest  
22 is visibly intoxicated. The provisions of this subsection apply only to claims  
23 for relief based on injury, death or damages caused by intoxication and do  
24 not apply to claims for relief based on injury, death or damages caused by  
25 negligent or intentional acts other than the service of alcoholic beverages  
26 to a visibly intoxicated patron or guest.

27 “(2) A person licensed by the Oregon Liquor Control **and Cannabis**  
28 Commission, person holding a permit issued by the commission or social host  
29 is not liable for damages caused by intoxicated patrons or guests unless the  
30 plaintiff proves by clear and convincing evidence that:

1       “(a) The licensee, permittee or social host served or provided alcoholic  
2 beverages to the patron or guest while the patron or guest was visibly  
3 intoxicated; and

4       “(b) The plaintiff did not substantially contribute to the intoxication of  
5 the patron or guest by:

6       “(A) Providing or furnishing alcoholic beverages to the patron or guest;

7       “(B) Encouraging the patron or guest to consume or purchase alcoholic  
8 beverages or in any other manner; or

9       “(C) Facilitating the consumption of alcoholic beverages by the patron  
10 or guest in any manner.

11       “(3) Except as provided in subsection (4) of this section, an action for  
12 damages caused by intoxicated patrons or guests off the premises of a person  
13 licensed by the Oregon Liquor Control **and Cannabis** Commission, a person  
14 holding a permit issued by the commission or a social host may be brought  
15 only if the person asserting the claim has given the licensee, permittee or  
16 social host the notice required by subsection (5) of this section within the  
17 following time periods:

18       “(a) If a claim is made for damages arising out of wrongful death, notice  
19 must be given within one year after the date of death, or within one year  
20 after the date that the person asserting the claim discovers or reasonably  
21 should have discovered the existence of a claim under this section, whichever  
22 is later.

23       “(b) If a claim is made for damages for injuries other than wrongful death,  
24 notice must be given within 180 days after the injury occurs, or within 180  
25 days after the person asserting the claim discovers or reasonably should have  
26 discovered the existence of a claim under this section, whichever is later.

27       “(4) The time provided for the giving of notice under subsection (3) of this  
28 section does not include any period during which:

29       “(a) The claimant is under 18 years of age;

30       “(b) The claimant is unable to give notice by reason of the injury or by

1 reason of being financially incapable, as defined in ORS 125.005, or is inca-  
2 pacitated, as defined in ORS 125.005; or

3 “(c) The claimant is unable to determine that the licensee, permittee or  
4 social host is liable because the patron or guest who caused the damages  
5 asserts a right against self-incrimination and cannot be compelled to reveal  
6 the identity of the licensee, permittee or social host, or cannot be compelled  
7 to reveal facts that would establish the liability of the licensee, permittee  
8 or social host.

9 “(5) A licensee, permittee or social host shall be considered to have been  
10 given notice for the purposes of this section if:

11 “(a) The licensee, permittee or social host is given formal notice in the  
12 manner specified in subsection (6) of this section;

13 “(b) The licensee, permittee or social host receives actual notice as de-  
14 scribed in subsection (7) of this section;

15 “(c) An action is commenced by or on behalf of the claimant within the  
16 period of time specified by subsections (3) and (4) of this section; or

17 “(d) Any payment on the claim is made to the claimant by or on behalf  
18 of the licensee, permittee or social host.

19 “(6) Formal notice of a claim subject to this section must be in writing,  
20 must be mailed to the licensee, permittee or social host, or personally served  
21 on the licensee, permittee or social host, and must contain all of the fol-  
22 lowing:

23 “(a) A statement that a claim for damages is made against the licensee,  
24 permittee or social host.

25 “(b) A description of the time, place and circumstances giving rise to the  
26 claim, so far as known to the claimant.

27 “(c) The name of the claimant and mailing address for the claimant to  
28 which correspondence regarding the claim may be mailed.

29 “(7) For the purposes of this section, ‘actual notice’ means any commu-  
30 nication to a licensee, permittee or social host that gives the licensee,



1 permittee or social host actual knowledge of the time, place and circum-  
2 stances of the claim, if the communication is such that a reasonable person  
3 would conclude that a particular person intends to assert a claim against the  
4 licensee, permittee or social host.

5 **SECTION 298.** ORS 471.567 is amended to read:

6 "471.567. (1) Notwithstanding ORS 471.130 and 471.565, no licensee,  
7 permittee or social host shall be liable to third persons injured by or through  
8 persons under the age of 21 years who obtained alcoholic beverages from the  
9 licensee, permittee or social host unless it is demonstrated that a reasonable  
10 person would have determined that identification should have been requested  
11 or that the identification exhibited was altered or did not accurately describe  
12 the person to whom the alcoholic liquor was sold or served.

13 "(2) A person who is under 21 but at least 18 years of age and who  
14 through misrepresentation of age causes an Oregon Liquor Control **and**  
15 **Cannabis** Commission licensee to be fined or have a license suspended or  
16 revoked shall be civilly liable for damages sustained by the licensee. The  
17 court may award reasonable attorney fees to the prevailing party in an  
18 action under this subsection.

19 "(3) Subsection (2) of this section does not apply to a person under the  
20 age of 21 years who is acting under the direction of the Oregon Liquor  
21 Control **and Cannabis** Commission or under the direction of state or local  
22 law enforcement agencies for the purpose of investigating possible violations  
23 of laws prohibiting sales of alcoholic beverages to persons who are under the  
24 age of 21 years.

25 "(4) Subsection (2) of this section does not apply to a person under the  
26 age of 21 years who is acting under the direction of a licensee for the pur-  
27 pose of investigating possible violations by employees of the licensee of laws  
28 prohibiting sales of alcoholic beverages to persons who are under the age  
29 of 21 years.

30 **SECTION 299.** ORS 471.605 is amended to read:

1 "471.605. The state police, sheriffs, constables and all police officers  
2 within the State of Oregon shall enforce all provisions of the Liquor Control  
3 Act and assist the Oregon Liquor Control **and Cannabis** Commission in de-  
4 tecting violations of that statute and apprehending offenders. Each such en-  
5 forcing officer having notice, knowledge or reasonable ground of suspicion  
6 of any violation of that statute shall immediately notify the district attorney,  
7 and furnish the district attorney with names and addresses of any witnesses,  
8 or other information within the officer's knowledge, of such violation.

9 "**SECTION 300.** ORS 471.610 is amended to read:

10 "471.610. Whenever any officer arrests any person for violation of the  
11 Liquor Control Act, the officer may take into possession all alcoholic liquor  
12 and other property which the person so arrested has in possession, or on the  
13 premises, which is apparently being used in violation of that statute. If the  
14 person so arrested is convicted, and it is found that the liquor and other  
15 property has been used in violation of the law, the same shall be forfeited  
16 to the Oregon Liquor Control **and Cannabis** Commission, and shall be de-  
17 livered by the court or officer to the commission. The commission is au-  
18 thorized to destroy or make such other disposition thereof as it considers to  
19 be in the public interest. In any such case, all alcoholic liquor purchased or  
20 acquired from any source, and all property, including bars, glasses, mixers,  
21 lockers, chairs, tables, cash registers, music devices, gambling devices, fur-  
22 niture, furnishings, equipment and facilities for the mixing, storing, serving  
23 or drinking of alcoholic liquor shall be confiscated and forfeited to the state,  
24 and the clear proceeds shall be deposited with the State Treasury in the  
25 Common School Fund in the manner provided in this section.

26 "**SECTION 301.** ORS 471.615 is amended to read:

27 "471.615. The county courts, district attorneys and municipal authorities,  
28 immediately upon the conviction of any licensee of the Oregon Liquor Con-  
29 trol **and Cannabis** Commission of a violation of any provision of the Liquor  
30 Control Act or the violation of any other law of this state or ordinance of

1 any municipality therein, in which violation alcoholic liquor had any part,  
2 shall notify the commission thereof. Such officials shall notify the commis-  
3 sion of any acts, practices or other conduct of any such licensee which may  
4 be subversive of the general welfare or contrary to the spirit of the Liquor  
5 Control Act and shall recommend such action on the part of the commission  
6 as will remove the evil.

7 **“SECTION 302.** ORS 471.630 is amended to read:

8 “471.630. The Attorney General, the Oregon Liquor Control **and**  
9 **Cannabis** Commission or its administrators, or the district attorney of the  
10 county wherein a nuisance as defined in ORS 471.620 exists, or where it has  
11 existed but has temporarily ceased and there is good and sufficient cause to  
12 believe that it will be maintained in the future, may institute an action in  
13 the circuit court for such county in the name of the state to abate, and to  
14 temporarily and permanently enjoin, such nuisance. The court has the right  
15 to make temporary and final orders as in other injunction proceedings. The  
16 plaintiff shall not be required to give bond in such action.

17 **“SECTION 303.** ORS 471.645 is amended to read:

18 “471.645. If a temporary injunction is granted, the court may issue further  
19 restraining orders as described in ORS 471.635; and forthwith may issue an  
20 order closing such place against its use for any purpose until the final de-  
21 cision, or the court may allow such place to be occupied or used during the  
22 pendency of the injunction proceedings by requiring the defendants to fur-  
23 nish an irrevocable letter of credit issued by an insured institution as defined  
24 in ORS 706.008 or a bond with sufficient surety, to be approved by the court,  
25 in the penal sum of not less than \$2,500, payable to the state. The bond or  
26 letter of credit shall be conditioned that alcoholic liquor will not be manu-  
27 factured, possessed, sold, served, bartered, or given away, or furnished, or  
28 otherwise disposed of thereon or therein, or kept thereon or therein with the  
29 intent to sell, barter, serve, or give away, or otherwise dispose of alcoholic  
30 liquor contrary to law, and that the defendants will pay all fines, costs and

1 damages assessed against them for any violation of such conditions. The  
2 State of Oregon in an action brought by the Attorney General, the Oregon  
3 Liquor Control **and Cannabis** Commission or its administrators, or the dis-  
4 trict attorney, may take whatever steps necessary to recover the whole  
5 amount as a penalty for the use of the county wherein the premises are sit-  
6 uated.

7 **“SECTION 304.** ORS 471.666 is amended to read:

8 “471.666. (1) The court, upon conviction of the person arrested under ORS  
9 471.660, shall order the alcoholic liquor delivered to the Oregon Liquor  
10 Control **and Cannabis** Commission, and shall, subject to the ownership  
11 rights of innocent third parties, order a sale at public auction by the sheriff  
12 of the county of the property seized. The sheriff, after deducting the expense  
13 of keeping the property and the cost of sale, shall pay all the liens, according  
14 to their priorities, which are established by intervention or otherwise at such  
15 hearing or in other proceedings brought for that purpose, and shall pay the  
16 balance of the proceeds into the general fund of the county. No claim of  
17 ownership or of any right, title or interest in or to such vehicle that is  
18 otherwise valid shall be held invalid unless the state shows to the satisfac-  
19 tion of the court, by clear and convincing evidence, that the claimant had  
20 knowledge that the vehicle was used or to be used in violation of law. All  
21 liens against property sold under this section shall be transferred from the  
22 property to the proceeds of the sale.

23 “(2) If no person claims the vehicle or conveyance, the taking of the same  
24 and the description thereof shall be advertised in some daily newspaper  
25 published in the city or county where taken, or if no daily newspaper is  
26 published in such city or county, in a newspaper having weekly circulation  
27 in the city or county, once a week for two weeks and by handbills posted in  
28 three public places near the place of seizure, and shall likewise notify by  
29 mail the legal owner, in the case of an automobile, if licensed by the State  
30 of Oregon, as shown by the name and address in the vehicle registration re-

1 cords of the Department of Transportation. If no claimant appears within  
2 10 days after the last publication of the advertisement, the property shall be  
3 sold and the proceeds, after deducting the expenses and costs, shall be paid  
4 into the general fund of the county.

5 **SECTION 305.** ORS 471.695 is amended to read:

6 "471.695. (1) The Oregon Liquor Control **and Cannabis** Commission may  
7 require each applicant for a full or limited on-premises sales license to sub-  
8 mit to fingerprinting. If the applicant is a corporation, the fingerprints of  
9 each officer, director and major stockholder of the corporation may be re-  
10 quired by the commission. Prior to approving any change in officers, direc-  
11 tors or major stockholders, the commission may require the fingerprints of  
12 the new officials.

13 "(2) The commission shall require that all employees of the commission  
14 who work in the licensing or enforcement divisions or who have access to  
15 criminal background information be fingerprinted.

16 "(3) Fingerprints acquired under this section may be used for the purpose  
17 of requesting state or nationwide criminal records checks under ORS  
18 181A.195.

19 "(4) As used in this section, 'major stockholder' means any person who  
20 owns, directly or indirectly, more than 10 percent of any class of any equity  
21 security of the corporation.

22 **SECTION 306.** ORS 471.700 is amended to read:

23 "471.700. In carrying out its duties under ORS 471.315, the Oregon Liquor  
24 Control **and Cannabis** Commission shall not suspend or cancel a license on  
25 grounds of any violation of ORS 167.108 to 167.164 until:

26 "(1) The licensee has been convicted thereof in a court of competent ju-  
27 risdiction; or

28 "(2) An employee of the licensee has been convicted thereof in a court of  
29 competent jurisdiction and the violation occurred on the licensed premises.

30 **SECTION 307.** ORS 471.703 is amended to read:

1 "471.703. (1) The police shall notify the Oregon Liquor Control **and**  
2 **Cannabis** Commission of the name of the alleged provider of alcoholic liquor  
3 when:

4 "(a) The police investigate any motor vehicle accident where someone  
5 other than the operator is injured or incurs property damage;

6 "(b) The operator appears to have consumed alcoholic liquor;

7 "(c) A citation is issued against the operator that is related to the con-  
8 sumption of alcoholic liquor or could have been issued if the operator had  
9 survived; and

10 "(d) The provider of the alcoholic liquor is alleged to be a licensee or  
11 permittee of the commission.

12 "(2) The notice shall include the name and address of the operator in-  
13 volved and the name and address of the person who named the alleged pro-  
14 vider, if the person is other than the operator.

15 "(3) Upon receipt of the notice described in subsection (1) of this section,  
16 the commission shall cause the licensee or permittee named as the alleged  
17 provider to be notified of receipt of the notice and of its content. A copy of  
18 the notice shall be retained in the files of the commission and shall be open  
19 to inspection by the person injured or damaged by the motor vehicle operator  
20 or a representative of the person.

21 "(4) The police shall notify the alleged social host when the circumstances  
22 described in subsection (1) of this section occur and the alleged social host  
23 is named as the provider of the alcoholic liquor. The notice shall include the  
24 information described in subsection (2) of this section.

25 "**SECTION 308.** ORS 471.710 is amended to read:

26 "471.710. (1) The Governor may remove any commissioner for inefficiency,  
27 neglect of duty, or misconduct in office, giving to the commissioner a copy  
28 of the charges made and an opportunity of being publicly heard in person  
29 or by counsel, in the commissioner's own defense, upon not less than 10 days'  
30 notice. If such commissioner is removed, the Governor shall file in the office

1 of the Secretary of State a complete statement of all charges made against  
2 such commissioner, the findings thereon, and a complete record of the pro-  
3 ceedings.

4 “(2) No person, other than the [member] **commissioners** appointed in  
5 accordance with ORS 471.705 who [is] **are** designated from the food and al-  
6 coholic beverage retail industry **and from the cannabis retail industry**, is  
7 eligible to hold the office of commissioner, or to be employed by the Oregon  
8 Liquor Control **and Cannabis** Commission if:

9 “(a) The person has any financial interest in any business licensed by the  
10 commission or in any business which manufactures alcoholic beverages sold  
11 in Oregon;

12 “(b) Anyone in the person’s household or immediate family has a financial  
13 interest described in paragraph (a) of this subsection;

14 “(c) Anyone in the person’s household or immediate family is employed  
15 by a business licensed by the commission, unless the person is not in a po-  
16 sition to take action or make decisions which could affect the licensed  
17 business; or

18 “(d) The person or anyone in the person’s household or immediate family  
19 has a business connection with any business licensed by the commission,  
20 unless the person is not in a position to take action or make decisions which  
21 could affect the licensed business.

22 “(3)(a) A retail sales agent appointed by the commission, or a person in  
23 the household or immediate family of a retail sales agent, may not have any  
24 financial interest in or business connection with:

25 “(A) A person or business that is licensed as a distillery;

26 “(B) A person or business that holds a full on-premises sales license[;  
27 or]

28 “(C) A distillery whose products are sold in Oregon; **or**

29 “(D) **A person or business that holds a license issued under ORS**  
30 **475B.070, 475B.090 or 475B.100.**

1       “(b) Paragraph (a) of this subsection does not apply to a distillery retail  
2 outlet agent appointed by the commission under ORS 471.230.

3       “(4) Nothing in this section prohibits a person from having a financial  
4 interest resulting from investments made by the Public Employees Retirement  
5 System or through mutual funds, blind trusts or similar investments  
6 where the person does not exercise control over the nature, amount or timing  
7 of the investment.

8       “(5) The commission by rule may establish additional restrictions to pro-  
9 hibit potential conflicts of interest. The commission by rule shall define  
10 ‘immediate family’ and ‘business connection’ as used in this section.

11       “**SECTION 309.** ORS 471.715 is amended to read:

12       “471.715. (1) The [*member*] **commissioners** from the food and alcoholic  
13 beverage retail industry **and from the cannabis retail industry** shall not  
14 serve as chairperson. The chairperson shall preside at all meetings of the  
15 Oregon Liquor Control **and Cannabis** Commission or, in the chairperson’s  
16 absence, some other [*member*] **commissioner** may serve as chairperson.

17       “(2) The commission shall meet at such times and places within this state  
18 as it determines. A majority of the commissioners constitutes a quorum for  
19 the transaction of any business, for the performance of any duty or for the  
20 exercise of any power of the commission.

21       “**SECTION 310.** ORS 471.720 is amended to read:

22       “471.720. The Oregon Liquor Control **and Cannabis** Commission shall  
23 appoint an administrator who shall serve at its discretion. The administra-  
24 tor shall be subject to policy direction by the commissioners, and shall be  
25 the secretary of the commission and custodian of commission records. The  
26 administrator shall manage the commission, administer the laws, and ap-  
27 point, assign and coordinate personnel of the commission within budget  
28 limitations and the State Personnel Relations Law.

29       “**SECTION 311.** ORS 471.725 is amended to read:

30       “471.725. The function, duties and powers of the Oregon Liquor Control



1 **and Cannabis** Commission include the following:

2 “(1) To buy, have in its possession, bottle, blend, rectify, transport and  
3 sell, for present or future delivery, in its own name, alcoholic liquor in the  
4 manner set forth in this chapter.

5 “(2) To purchase, acquire, rent, lease or occupy any building, rooms,  
6 stores or land and acquire, own, lease and sell equipment and fixtures re-  
7 quired for its operations.

8 “(3) To lease or sublet to others property which it acquires or owns and  
9 which is not immediately required for its operations. However, no real  
10 property shall be purchased without the consent and approval of the Gover-  
11 nor.

12 “(4) To borrow money, guarantee the payment thereof and of the interest  
13 thereon, by the transfer or pledge of goods or in any other manner required  
14 or permitted by law.

15 “(5) To issue, sign, indorse and accept checks, promissory notes, bills of  
16 exchange and other negotiable instruments.

17 “(6) In the event the United States Government provides any plan or  
18 method whereby the taxes upon alcoholic liquors are collected at the source,  
19 to enter into any and all contracts and comply with all regulations, even to  
20 the extent of partially or wholly abrogating any statutory provisions which  
21 might be in conflict with federal law or regulations, to the end that the  
22 commission receives the portion thereof allocated to this state, to be dis-  
23 tributed as provided by statute.

24 “(7) To secure and pay for such policies of insurance as may be necessary  
25 to adequately protect it from loss by fire, theft or other casualty.

26 **“SECTION 312.** ORS 471.730 is amended to read:

27 “471.730. The function, duties and powers of the Oregon Liquor Control  
28 **and Cannabis** Commission include the following:

29 “(1) To control the manufacture, possession, sale, purchase, transporta-  
30 tion, importation and delivery of alcoholic liquor in accordance with the

1 provisions of this chapter and ORS 474.105 and 474.115.

2 “(2) To grant, refuse, suspend or cancel licenses and permits for the sale  
3 or manufacture of alcoholic liquor, or other licenses and permits in regard  
4 thereto, and to permit, in its discretion, the transfer of a license of any  
5 person.

6 “(3) To collect the taxes and duties imposed by statutes relating to alco-  
7 holic liquors, and to issue, and provide for cancellation, stamps and other  
8 devices as evidence of payment of such taxes or duties.

9 “(4) To investigate and aid in the prosecution of every violation of stat-  
10 utes relating to alcoholic liquors, to seize alcoholic liquor manufactured,  
11 sold, kept, imported or transported in contravention of this chapter and ORS  
12 474.105 and 474.115, and apply for the confiscation thereof, whenever required  
13 by statute, and cooperate in the prosecution of offenders before any court  
14 of competent jurisdiction.

15 “(5) To adopt such regulations as are necessary and feasible for carrying  
16 out the provisions of this chapter and ORS 474.105 and 474.115 and to amend  
17 or repeal such regulations. When such regulations are adopted they shall  
18 have the full force and effect of law.

19 “(6) To exercise all powers incidental, convenient or necessary to enable  
20 it to administer or carry out any of the provisions of this chapter and ORS  
21 474.105 and 474.115.

22 “(7) To control, regulate and prohibit any advertising by manufacturers,  
23 wholesalers or retailers of alcoholic liquor by the medium of newspapers,  
24 letters, billboards, radio or otherwise.

25 “(8) To sell, license, regulate and control the use of alcohol for scientific,  
26 pharmaceutical, manufacturing, mechanical, industrial and other purposes,  
27 and to provide by regulation for the sale thereof for such uses.

28 “**SECTION 313.** ORS 471.732 is amended to read:

29 “471.732. (1) The Legislative Assembly finds and declares that the regu-  
30 lation of health and sanitation matters in premises licensed by the Oregon

1 Liquor Control **and Cannabis** Commission under this chapter can best be  
2 performed by the Oregon Health Authority and the State Department of  
3 Agriculture.

4 “(2) It is the policy of the Legislative Assembly and the intent of ORS  
5 471.333 and 624.010 and this section that premises licensed by the Oregon  
6 Liquor Control **and Cannabis** Commission under this chapter shall be sub-  
7 ject to the laws governing health and sanitation matters, including any ap-  
8 plicable licensing requirements, and to the rules adopted thereunder by the  
9 authority and the department.

10 **“SECTION 314.** ORS 471.735 is amended to read:

11 “471.735. The Oregon Liquor Control **and Cannabis** Commission shall  
12 have the power to investigate by sample or chemical analysis, the quality  
13 of all wines manufactured, imported, sold or offered for sale within this  
14 state, and to seize, confiscate and destroy all wines sold or offered for sale  
15 within this state which do not conform in all respects to the minimum  
16 standards provided for by the laws of this state.

17 **“SECTION 315.** ORS 471.740 is amended to read:

18 “471.740. Except as provided in this chapter, the Oregon Liquor Control  
19 **and Cannabis** Commission is vested with the exclusive right to purchase,  
20 sell, have in possession for sale, import or transport alcoholic beverages.

21 **“SECTION 316.** ORS 471.745 is amended to read:

22 “471.745. The Oregon Liquor Control **and Cannabis** Commission shall fix  
23 the prices at which alcoholic liquors containing over five percent alcohol by  
24 volume may be purchased from it, and has power to bottle, blend, rectify,  
25 manufacture or sell alcoholic liquors for itself, or for or to any person or  
26 commission within or without this state.

27 **“SECTION 317.** ORS 471.747 is amended to read:

28 “471.747. (1) As used in this section, ‘granulated alcohol’ means powders,  
29 crystals or other dry preparations designed to produce an alcoholic beverage  
30 when added to a liquid.

1       “(2) Granulated alcohol may not be sold at retail in this state. Granulated  
2 alcohol may be sold at wholesale only for scientific, industrial, manufactur-  
3 ing or other purposes identified by the Oregon Liquor Control **and Cannabis**  
4 Commission under terms and conditions the commission considers appropri-  
5 ate to safeguard against the misuse of granulated alcohol.

6       “**SECTION 318.** ORS 471.750 is amended to read:

7       “471.750. (1) The Oregon Liquor Control **and Cannabis** Commission shall  
8 establish such stores and warehouses in such places in the state as in its  
9 judgment are required by public convenience or necessity, for the sale of  
10 spirituous liquors, wines and other alcoholic liquors containing over five  
11 percent alcohol by volume, in sealed containers for consumption off the  
12 premises. The commission shall keep on hand in such stores or warehouses  
13 such quantities and kinds of alcoholic liquors as are reasonably required to  
14 supply the public demand.

15       “(2) Any person qualified to purchase such liquors from the commission  
16 has the right to present to the commission, or at any of its stores, an appli-  
17 cation for any kind or brand of alcoholic liquor that the person may desire  
18 and that may be manufactured or obtainable in any place in the United  
19 States, and the commission shall obtain such liquor and sell it to the appli-  
20 cant. The commission may not require that an application for a kind or  
21 brand of alcoholic liquor include a commitment to purchase a minimum  
22 amount of the liquor or require that a purchase be for more than one con-  
23 tainer of a kind or brand of alcoholic liquor if the liquor:

24       “(a) Except as provided in subsection (5) of this section, has a retail sales  
25 price of \$30 or more per container;

26       “(b) Is available through a distributor in the United States that does not  
27 require the commission to acquire more than one case of the distilled liquor  
28 in a single transaction;

29       “(c) Is not regularly stocked by the commission; and

30       “(d) Is ordered in a 750 milliliter container size if available in that size.

1       “(3) The commission may not establish a store in any county or incorpo-  
2 rated city of this state where a local prohibitory law is in effect. The com-  
3 mission shall adopt rules governing advertising by stores operated by the  
4 commission. The commission may appoint agents in the sale of said liquor  
5 under such agreement as the commission may negotiate with said agents or  
6 their representative.

7       “(4) Rules relating to advertising adopted by the commission under sub-  
8 section (3) of this section shall allow signs and displays within its stores for  
9 the purpose of supplying consumer information to customers, including but  
10 not limited to discounts, sales and other specials. Commission discretion  
11 with respect to those signs and displays shall be limited to regulation of the  
12 content, size, number per brand, type and duration of the sign or display.  
13 Signs and displays may be supplied by manufacturers, wholesalers or dis-  
14 tributors, and may bear the name of a particular distillery, supplier or brand  
15 of liquor. The use of signs and displays shall be optional with the agent ap-  
16 pointed by the commission. Signs or displays authorized by the commission  
17 may not be placed in positions within the store where the sign or display  
18 would be readily visible from outside of the store.

19       “(5) The commission may annually adjust the price threshold established  
20 in subsection (2)(a) of this section by a percentage equal to the percentage  
21 change in the Portland-Salem, OR-WA Consumer Price Index for All Urban  
22 Consumers for All Items as published by the Bureau of Labor Statistics of  
23 the United States Department of Labor. However, the commission may not  
24 adjust the price threshold to be less than \$30.

25       “**SECTION 319.** ORS 471.752 is amended to read:

26       “471.752. (1) An agent appointed under ORS 471.750 may participate in a  
27 health benefit plan available to state employees pursuant to ORS 243.105 to  
28 243.285 at the expense of the agent and may participate in the state deferred  
29 compensation plan established under ORS 243.401 to 243.507. For such pur-  
30 poses, agents shall be considered eligible state employees.

1       “(2) A person who is the surviving spouse or child of a deceased agent  
2 or the spouse or child of an agent of the Oregon Liquor Control **and**  
3 **Cannabis** Commission who has a disability shall be given preference in the  
4 appointment of a successor agent, if otherwise qualified, the spouse having  
5 greater preference. The experience of such applicant in the business opera-  
6 tion of the deceased agent or the agent who has a disability shall be the  
7 primary consideration in determining the qualifications of the applicant.

8       “**SECTION 320.** ORS 471.754 is amended to read:

9       “471.754. The Oregon Liquor Control **and Cannabis** Commission shall  
10 develop recycling education materials for distribution through stores estab-  
11 lished by the commission under ORS 471.750 that encourage the patrons of  
12 the store to recycle bottles sold through the stores.

13       “**SECTION 321.** ORS 471.757 is amended to read:

14       “471.757. (1) At such times as the Oregon Liquor Control **and Cannabis**  
15 Commission may prescribe and upon forms furnished by the commission, any  
16 license applicant or licensee of the commission may be required to submit a  
17 sworn statement to the commission showing the name, address and the na-  
18 ture and extent of the financial interest of each person, individual and cor-  
19 porate, having a financial interest in the business operated under the license.

20       “(2) The commission shall review the statement and may refuse to issue  
21 a license to any license applicant, or may suspend, cancel or refuse to renew  
22 the license of any licensee, when conditions exist in relation to any person  
23 having a financial interest in the business or in the place of business which  
24 would constitute grounds for refusing to issue a license or for cancellation  
25 or suspension of a license if such person were the license applicant or  
26 licensee. However, in cases where the financial interest is held by a corpo-  
27 ration, only the officers and directors of the corporation, any individual or  
28 combination of individuals who own a controlling financial interest in the  
29 business and any manager of the business shall be considered persons having  
30 a financial interest within the meaning of this subsection.

1        “**SECTION 322.** ORS 471.760 is amended to read:

2        “471.760. Each member of the Oregon Liquor Control **and Cannabis**  
3 Commission, or any of its authorized agents, shall, for the purposes contem-  
4 plated by this chapter and ORS 474.105 and 474.115, have power to issue  
5 subpoenas, compel the attendance of witnesses, administer oaths, certify to  
6 official acts, take depositions within or without this state, as provided by  
7 law, and compel the production of pertinent books, payrolls, accounts, pa-  
8 pers, records, documents and testimony.

9        “**SECTION 323.** ORS 471.765 is amended to read:

10       “471.765. If a person in attendance before the Oregon Liquor Control **and**  
11 **Cannabis** Commission or a commissioner refuses, without reasonable cause,  
12 to be examined or to answer a legal and pertinent question, or to produce  
13 a book or paper when ordered so to do by the commission, the commission  
14 may apply to the judge of the circuit court of any county where such person  
15 is in attendance, upon proof by affidavit of the fact, for a rule or order re-  
16 turnable in not less than two nor more than five days, directing such person  
17 to show cause before the judge who made the order, or any other judge of  
18 such county, why the person should not be punished for contempt. Upon the  
19 return of such order, the judge shall examine such person under oath and the  
20 person shall be given an opportunity to be heard. If the judge determines  
21 that such person has refused, without reasonable cause or legal excuse, to  
22 be examined or to answer a legal or pertinent question, or to produce a book  
23 or paper which the person was ordered to bring or produce, the judge may  
24 forthwith punish the offender for contempt of court.

25       “**SECTION 324.** ORS 471.770 is amended to read:

26       “471.770. No person shall be excused from testifying or from producing  
27 any books, papers or documents in any investigation or inquiry by or upon  
28 any hearing before the Oregon Liquor Control **and Cannabis** Commission  
29 or any commissioner when ordered so to do by the commission or any of its  
30 authorized agents, upon the ground that the testimony, evidence, books, pa-

1 pers or documents required of the person may tend to incriminate the person  
2 or subject the person to penalty or forfeiture. No person shall be prosecuted,  
3 punished or subjected to any penalty or forfeiture for or on account of any  
4 act, transaction, matter or thing concerning which the person shall, under  
5 oath, have, by order of the commission, or a commissioner, or any of its au-  
6 thorized agents, testified to or produced documentary evidence of; but no  
7 person so testifying shall be exempt from prosecution or punishment for any  
8 perjury committed by the person in testimony.

9 **“SECTION 325.** ORS 471.775, as amended by section 20, chapter 24,  
10 Oregon Laws 2016, is amended to read:

11 “471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued  
12 by each member of the Oregon Liquor Control **and Cannabis** Commission  
13 or any of its authorized agents.

14 “(2) Subject to subsection (3) of this section, regulatory specialists have  
15 authority as provided under this chapter, ORS chapter 153, ORS 133.005 to  
16 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.235, 161.239,  
17 161.245[, *475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to*  
18 *475B.655*] and chapter 743, Oregon Laws 1971, to conduct inspections or in-  
19 vestigations, make arrests and seizures, aid in prosecutions for offenses, issue  
20 criminal citations and citations for violations and otherwise enforce this  
21 chapter, ORS 474.005 to 474.095[,] **and** 474.115, [*475B.010 to 475B.395, 475B.550*  
22 *to 475B.590 and 475B.600 to 475B.655,*] commission rules and any other laws  
23 of this state that the commission considers related to alcoholic liquor,  
24 [*marijuana and marijuana-derived products,*] including but not limited to  
25 laws regarding the production, processing, manufacture, importation, trans-  
26 portation, possession, distribution, sale or consumption of alcoholic  
27 beverages, the manufacture or use of false identification or the entry of  
28 premises licensed to sell alcoholic liquor[, *marijuana or marijuana-derived*  
29 *products*].

30 “(3) A regulatory specialist may not:



1       “(a) Be sworn in as a federal law enforcement official and act in that  
2 capacity while performing duties under subsection (2) of this section; **or**

3       “(b) Carry a firearm[;].

4       “[(c) *Conduct inspections and investigations of a primary residence or for*  
5 *purposes of ensuring compliance with ORS 475B.245 and 475B.375; or]*

6       “[(d) *Except as provided under the provisions of ORS 475B.010 to 475B.395,*  
7 *conduct inspections and investigations for purposes of ensuring compliance*  
8 *with ORS 475B.400 to 475B.525.]*

9       “**SECTION 326.** ORS 471.790 is amended to read:

10       “471.790. No member of the Oregon Liquor Control **and Cannabis** Com-  
11 mission may be sued for doing or omitting to do any act in the performance  
12 of duties as prescribed in the Liquor Control Act. No member of the com-  
13 mission personally shall be liable for any loss caused by the default or fail-  
14 ure of the depository of funds of the commission. All funds of the commission  
15 deposited in any bank or trust company are entitled to priority of payment  
16 as public funds of the state, if the commission funds are only kept in depos-  
17 itories designated by the State Treasurer and under security of the same  
18 character required by law for depositories of state funds.

19       “**SECTION 327.** ORS 471.795 is amended to read:

20       “471.795. No provision of the Liquor Control Act prevents any member  
21 or employee of the Oregon Liquor Control **and Cannabis** Commission from  
22 purchasing and keeping in possession, for the personal use of self or members  
23 of the family of the member or employee, any alcoholic liquor in the same  
24 manner as it may be purchased or kept by any other person under that  
25 statute.

26       “**SECTION 328.** ORS 471.800 is amended to read:

27       “471.800. If by the laws of another state or by the rules and regulations  
28 of any administrative body or authorized agency thereof or therein, market  
29 restrictions are imposed that prevent or tend to prevent the sale of wine  
30 manufactured in Oregon in free and unrestricted competition with like kinds

1 of wine manufactured in such other state, the Oregon Liquor Control **and**  
2 **Cannabis** Commission is authorized and directed to impose similar re-  
3 strictions in Oregon upon such wine manufactured in such other state and  
4 offered for sale in Oregon.

5 **“SECTION 329.** ORS 471.810 is amended to read:

6 “471.810. (1) At the end of each month, the Oregon Liquor Control **and**  
7 **Cannabis** Commission shall certify the amount of moneys available for dis-  
8 tribution in the Oregon Liquor Control **and Cannabis** Commission Account  
9 and, after withholding such moneys as it may deem necessary to pay its  
10 outstanding obligations, shall within 35 days of the month for which a dis-  
11 tribution is made direct the State Treasurer to pay the amounts due, upon  
12 warrants drawn by the Oregon Department of Administrative Services, as  
13 follows:

14 “(a) Fifty-six percent, or the amount remaining after the distribution un-  
15 der subsection (4) of this section, credited to the General Fund available for  
16 general governmental purposes wherein it shall be considered as revenue  
17 during the quarter immediately preceding receipt;

18 “(b) Twenty percent to the cities of the state in such shares as the pop-  
19 ulation of each city bears to the population of the cities of the state, as de-  
20 termined by Portland State University last preceding such apportionment,  
21 under ORS 190.510 to 190.610;

22 “(c) Ten percent to counties in such shares as their respective populations  
23 bear to the total population of the state, as estimated from time to time by  
24 Portland State University; and

25 “(d) Fourteen percent to the cities of the state to be distributed as pro-  
26 vided in ORS 221.770 and this section.

27 “(2) The commission shall direct the Oregon Department of Administra-  
28 tive Services to transfer 50 percent of the revenues from the taxes imposed  
29 by ORS 473.030 and 473.035 to the Mental Health Alcoholism and Drug Ser-  
30 vices Account in the General Fund to be paid monthly as provided in ORS

1 430.380.

2 “(3) If the amount of revenues received from the taxes imposed by ORS  
3 473.030 for the preceding month was reduced as a result of credits claimed  
4 under ORS 473.047, the commission shall compute the difference between the  
5 amounts paid or transferred as described in subsections (1)(b), (c) and (d) and  
6 (2) of this section and the amounts that would have been paid or transferred  
7 under subsections (1)(b), (c) and (d) and (2) of this section if no credits had  
8 been claimed. The commission shall direct the Oregon Department of Ad-  
9 ministrative Services to pay or transfer amounts equal to the differences  
10 computed for subsections (1)(b), (c) and (d) and (2) of this section from the  
11 General Fund to the recipients or accounts described in subsections (1)(b),  
12 (c) and (d) and (2) of this section.

13 “(4) Notwithstanding subsection (1) of this section, no city or county shall  
14 receive for any fiscal year an amount less than the amount distributed to the  
15 city or county in accordance with ORS 471.350 (1965 Replacement Part),  
16 471.810, 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967  
17 fiscal year unless the city or county had a decline in population as shown  
18 by its census. If the population declined, the per capita distribution to the  
19 city or county shall be not less than the total per capita distribution during  
20 the 1966-1967 fiscal year. Any additional funds required to maintain the level  
21 of distribution under this subsection shall be paid from funds credited under  
22 subsection (1)(a) of this section.

23 “(5) Notwithstanding subsection (1) of this section, amounts to be dis-  
24 tributed from the Oregon Liquor Control **and Cannabis** Commission Ac-  
25 count that are attributable to a per bottle surcharge imposed by the Oregon  
26 Liquor Control **and Cannabis** Commission, shall be credited to the General  
27 Fund.

28 “**SECTION 330.** ORS 471.817 is amended to read:

29 “471.817. Each nonprofit organization formed by licensees to provide al-  
30 ternative transportation for patrons of the licensees shall report annually to

1 the Oregon Liquor Control **and Cannabis** Commission. The commission may  
2 acknowledge receipt of the notice and shall keep a list of such organizations  
3 that have given notice. The commission shall provide information to the  
4 Department of Revenue on request for purposes of sections 2 and 4, chapter  
5 700, Oregon Laws 1985.

6 **SECTION 331.** ORS 473.020 is amended to read:

7 "473.020. The Oregon Liquor Control **and Cannabis** Commission shall  
8 administer this chapter, and shall prescribe forms and make such rules and  
9 regulations as it deems necessary to enforce its provisions.

10 **SECTION 332.** ORS 473.030 is amended to read:

11 "473.030. (1) A tax is imposed upon the privilege of engaging in business  
12 as a manufacturer or as an importing distributor of malt beverages at the  
13 rate of \$2.60 per barrel of 31 gallons on all such beverages.

14 "(2) A tax is imposed upon the privilege of engaging in business as a  
15 manufacturer or as an importing distributor of wines at the rate of 65 cents  
16 per gallon on all such beverages.

17 "(3) In addition to the tax imposed by subsection (2) of this section, a  
18 manufacturer or an importing distributor of wines containing more than 14  
19 percent alcohol by volume shall be taxed at the rate of 10 cents per gallon.

20 "(4) In addition to the taxes imposed by subsections (2) and (3) of this  
21 section, a manufacturer or an importing distributor of wines shall be taxed  
22 at the rate of two cents per gallon. Notwithstanding any other provision  
23 of law, all moneys collected by the Oregon Liquor Control **and Cannabis**  
24 Commission pursuant to this subsection shall be paid into the account es-  
25 tablished by the Oregon Wine Board under ORS 182.470.

26 "(5) The rates of tax imposed by this section upon malt beverages apply  
27 proportionately to quantities in containers of less capacity than those  
28 quantities specified in this section.

29 "(6) The taxes imposed by this section shall be measured by the volume  
30 of wine or malt beverages produced, purchased or received by any manufac-

1 turer. If the wine or malt beverage remains unsold and in the possession of  
2 the producer at the plant where it was produced, no tax imposed or levied  
3 by this section is required to be paid until the wine or malt beverage has  
4 become sufficiently aged for marketing at retail, but this subsection shall  
5 not be construed so as to alter or affect any provision of this chapter relat-  
6 ing to tax liens or the filing of statements.

7 **“SECTION 333.** ORS 473.045 is amended to read:

8 “473.045. (1) A tax is hereby imposed upon the sale or use of all agricul-  
9 tural products used in a winery for making wine.

10 “(2) The amount of the tax shall be \$25 per ton of grapes of the vinifera  
11 varieties, whether true or hybrid.

12 “(3) An equivalent tax is imposed upon the sale or use of vinifera or hy-  
13 brid grape products imported for use in a winery licensed under ORS chapter  
14 471 for making wine. Such tax shall be \$25 per ton of grapes used to produce  
15 the imported grape product. The tax shall be determined on the basis of one  
16 ton of grapes for each 150 gallons of wine made from such vinifera or hybrid  
17 grape products.

18 “(4) A tax on the sale or use of products that are not subject to subsection  
19 (2) or (3) of this section that are used to make wine in this state shall be  
20 imposed at a rate of \$.021 per gallon of wine made from those products.

21 “(5) In the case of vinifera or hybrid grape products harvested in this  
22 state, \$12.50 of such tax shall be levied and assessed against the person  
23 selling or providing such grape products to the winery. If the purchasing  
24 winery is licensed under ORS chapter 471, that winery shall deduct the tax  
25 levied under this subsection from the price paid to the seller. If the pur-  
26 chasing winery is not licensed under ORS chapter 471, the seller shall report  
27 all sales on forms provided by the Oregon Liquor Control **and Cannabis**  
28 Commission and pay \$12.50 per ton as a tax directly to the commission.

29 “(6) Taxes paid by sellers under subsection (5) of this section shall be  
30 collected by the Oregon Liquor Control **and Cannabis** Commission on behalf

1 of the Oregon Wine Board. The commission may retain an amount sufficient  
2 to cover the cost of collecting the taxes paid under subsection (5) of this  
3 section and shall transfer the remainder of those taxes to the board for de-  
4 posit as provided in ORS 576.775. Failure to pay a tax imposed under sub-  
5 section (5) of this section subjects the violator to the penalty provided in  
6 ORS 473.992.

7 “(7) Except for the tax specified in subsection (4) of this section the taxes  
8 specified under this section shall be levied and assessed to the licensed  
9 winery at the time of purchase of the product by the winery or of  
10 importation of the product, whichever is later. The tax specified in sub-  
11 section (4) of this section shall be levied and assessed to the licensed winery  
12 at the time the wine is made.

13 “(8) The taxes imposed by this section shall be paid by the licensed winery  
14 and collected by the commission subject to the same powers as taxes imposed  
15 and collected under ORS chapter 473. The tax obligation for a calendar year  
16 shall be paid in two installments. Half shall be due on December 31 of the  
17 current calendar year. The remaining half shall be due the following June  
18 30.

19 **“SECTION 334.** ORS 473.047 is amended to read:

20 “473.047. (1) As used in this section, ‘qualified marketing activity’ means  
21 marketing activity:

22 “(a) That promotes the sale of wine or wine products;

23 “(b) That does not promote specific brands of wine or wine products or  
24 exclusively promote the products of any particular winery; and

25 “(c) That has been approved by the Oregon Wine Board.

26 “(2) A credit against the privilege tax otherwise due under ORS 473.030  
27 (2) is allowed to a manufacturer or importing distributor of wine for the  
28 qualified marketing activity expenditures made by the manufacturer or im-  
29 porting distributor in the calendar year prior to the year for which the credit  
30 is claimed.

1       “(3) The credit allowed under this section shall be 28 percent of the sum  
2 of the following:

3       “(a) One hundred percent of the cost of qualified marketing activity to  
4 the extent that the cost of the activity does not exceed the amount of taxes  
5 the manufacturer or importing distributor of wine owed under ORS 473.030  
6 (2) on the first 40,000 gallons, or 151,000 liters, of wine sold annually in  
7 Oregon; and

8       “(b) Twenty-five percent of the tax owed under ORS 473.030 (2) for quali-  
9 fied marketing activity on wine sales above 40,000 gallons, or 151,000 liters,  
10 of wine sold annually in Oregon.

11       “(4) The credit allowed under this section may not exceed the tax liability  
12 of the manufacturer or importing distributor of wine under ORS 473.030 (2)  
13 for the calendar year following the year in which qualified marketing activ-  
14 ity occurred.

15       “(5) A manufacturer or importing distributor of wine that wishes to claim  
16 the credit allowed under this section shall submit with the manufacturer’s  
17 or importing distributor’s tax return form a certificate issued by the board  
18 verifying that the marketing activity was a qualified marketing activity. The  
19 credit shall be claimed on the form and include the information required by  
20 the Oregon Liquor Control **and Cannabis** Commission by rule.

21       “(6) The credit shall be claimed against the taxes reported on the return  
22 filed under ORS 473.060 for each month in the calendar year following the  
23 year in which the qualified marketing activity occurred, until the credit is  
24 completely used or the year ends, whichever occurs first.

25       “(7) The board shall by rule further define, consistent with the definition  
26 in subsection (1) of this section, the marketing activities that constitute  
27 qualified marketing activity.

28       “**SECTION 335.** ORS 473.050 is amended to read:

29       “473.050. In computing any privilege tax imposed by ORS 473.030 or  
30 473.035:

1       “(1) No malt beverage, cider or wine is subject to tax more than once.

2       “(2) No tax shall be levied, collected or imposed upon any malt beverage,  
3       cider or wine sold to the Oregon Liquor Control **and Cannabis** Commission  
4       or exported from the state.

5       “(3) No tax shall be levied, collected or imposed upon any malt beverage  
6       given away and consumed on the licensed premises of a brewery licensee, or  
7       sold to or by a voluntary nonincorporated organization of army, air corps  
8       or navy personnel operating a place for the sale of goods pursuant to regu-  
9       lations promulgated by the proper authority of each such service.

10       “(4) No tax shall be levied, collected or imposed upon any malt beverage,  
11       cider or wine determined by the commission to be unfit for human con-  
12       sumption or unsalable.

13       “(5) No tax shall be levied, collected or imposed upon the first 40,000  
14       gallons, or 151,000 liters, of wine sold annually in Oregon from a United  
15       States manufacturer of wines producing less than 100,000 gallons, or 379,000  
16       liters, annually.

17       “**SECTION 336.** ORS 473.060 is amended to read:

18       “473.060. (1) The privilege taxes imposed by ORS 473.030 and 473.035 shall  
19       be paid to the Oregon Liquor Control **and Cannabis** Commission. The taxes  
20       covering the periods for which statements are required to be rendered by  
21       ORS 473.070 shall be paid before the time for filing such statements expires  
22       or, as concerns wines, on or before the 20th day of the month after such  
23       wines have been withdrawn from federal bond. If not so paid, a penalty of  
24       10 percent and interest at the rate of one percent a month or fraction of a  
25       month shall be added and collected. The commission may refund any tax  
26       payment imposed upon or paid in error by any licensee, and may waive the  
27       collection or refund the payment of any tax imposed and collected on wine,  
28       cider or malt beverages subsequently exported from this state, sold to a fed-  
29       eral instrumentality or to the commission, or determined by the commission  
30       to be unfit for human consumption or unsalable.



1       “(2) The commission may waive any interest or penalty assessed to a  
2 manufacturer subject to the tax imposed under ORS 473.030 or 473.035 if the  
3 commission, in its discretion, determines that the manufacturer has made a  
4 good faith attempt to comply with the requirements of this chapter.

5       “(3) Except in the case of fraud, the commission may not assess any in-  
6 terest or penalty on any tax due under ORS 473.030 or 473.035 following the  
7 expiration of 36 months from the date on which was filed the statement re-  
8 quired under ORS 473.070 reporting the quantity of wine, cider or malt  
9 beverages upon which the tax is due.

10       “(4) A manufacturer may appeal a tax imposed under ORS 473.030 or  
11 473.035 in the manner of a contested case under ORS chapter 183.

12       “**SECTION 337.** ORS 473.065 is amended to read:

13       “473.065. (1) If a manufacturer’s total tax liability under ORS 473.030 (1)  
14 in the previous calendar year was less than \$1,000, the manufacturer may  
15 deposit with the Oregon Liquor Control **and Cannabis** Commission an  
16 amount in cash equal to the manufacturer’s total tax liability under ORS  
17 473.030 (1) for the previous calendar year in lieu of the bond required by ORS  
18 471.155 (1).

19       “(2) If a manufacturer’s actual tax liability under ORS 473.030 (1) is less  
20 than the amount deposited under subsection (1) of this section, the man-  
21 ufacturer may request that the commission refund the excess funds or may  
22 apply those funds toward the manufacturer’s tax liability under ORS 473.030  
23 (1) for the next calendar year.

24       “(3) If a manufacturer’s actual tax liability under ORS 473.030 (1) is  
25 greater than the amount deposited under subsection (1) of this section, the  
26 manufacturer shall pay to the commission the additional amount owed in the  
27 manner required under ORS 473.060.

28       “(4) Unless the commission determines that a winery, grower sales privi-  
29 lege or warehouse licensee or direct shipper or wine self-distribution permit  
30 holder presents an unusual risk for nonpayment of any license fees, privilege

1 taxes, agricultural products taxes or other tax, penalty or interest imposed  
2 under this chapter or ORS chapter 471, the commission shall waive the bond  
3 required under ORS 471.155 (1) for the licensee or permit holder if:

4 “(a) The licensee or permit holder was not liable for a privilege tax under  
5 this chapter in the immediately preceding calendar year and does not expect  
6 to be liable for a privilege tax under this chapter in the current calendar  
7 year; or

8 “(b) The licensee or permit holder of a business established during the  
9 current calendar year does not expect to be liable for a privilege tax under  
10 this chapter in the current calendar year. As used in this paragraph, ‘busi-  
11 ness’ means:

12 “(A) A winery.

13 “(B) A business operated pursuant to a license issued under ORS 471.227.

14 “(C) A warehouse.

15 “(D) A business operated pursuant to a permit issued under ORS 471.274.

16 “(E) A business operated pursuant to a permit issued under ORS 471.282.

17 “**SECTION 338.** ORS 473.070 is amended to read:

18 “473.070. (1) On or before the 20th day of each month, every manufacturer  
19 shall file with the Oregon Liquor Control **and Cannabis** Commission a  
20 statement of the quantity of wine, cider and malt beverages produced, pur-  
21 chased or received by the manufacturer during the preceding calendar month.

22 “(2) Notwithstanding subsection (1) of this section, a manufacturer of  
23 wine that was not liable for a privilege tax under this chapter in the prior  
24 calendar year and that does not expect to be liable for a privilege tax under  
25 this chapter in the current calendar year, or a manufacturer of wine that is  
26 newly established during the current calendar year and that does not expect  
27 to be liable for a privilege tax under this chapter in the current calendar  
28 year, may file a single annual statement of the quantity of wine produced,  
29 purchased or received by the manufacturer during the current calendar year.  
30 The annual statement shall be filed with the commission on or before Janu-

1 ary 20 of the following year.

2 **“SECTION 339.** ORS 473.080 is amended to read:

3 “473.080. If any manufacturer fails, neglects or refuses to file a statement  
4 required by ORS 473.070 or files a false statement, the Oregon Liquor Control  
5 **and Cannabis** Commission shall estimate the amount of wine, cider and malt  
6 beverages produced, purchased or received by the manufacturer and assess  
7 the privilege tax thereon. The manufacturer shall be estopped from com-  
8 plaining of the amount so estimated.

9 **“SECTION 340.** ORS 473.100 is amended to read:

10 “473.100. (1) Whenever any manufacturer is delinquent in the payment of  
11 the privilege tax provided for in ORS 473.030 and 473.035, the Oregon Liquor  
12 Control **and Cannabis** Commission or its duly authorized representative  
13 shall seize any property subject to the tax and sell, at public auction, prop-  
14 erty so seized, or a sufficient portion thereof to pay the privilege tax due,  
15 together with any penalties imposed under ORS 473.060 for such delinquency  
16 and all costs incurred on account of the seizure and sale.

17 “(2) Written notice of the intended sale and the time and place thereof,  
18 shall be given to such delinquent manufacturer and to all persons appearing  
19 of record to have an interest in the property, at least 10 days before the date  
20 set for the sale. The notice shall be enclosed in an envelope addressed to the  
21 manufacturer at the last-known residence or place of business of the man-  
22 ufacturer in this state, if any; and in the case of any person appearing of  
23 record to have an interest in such property, addressed to such person at the  
24 last-known place of residence of the person, if any. The envelope shall be  
25 deposited in the United States mail, postage prepaid. In addition, notice shall  
26 be published for at least 10 days before the date set for such sale, in a  
27 newspaper of general circulation published in the county in which the prop-  
28 erty seized is to be sold. If there is no newspaper of general circulation in  
29 such county, the notice shall be posted in three public places in such county  
30 for the 10-day period. The notice shall contain a description of the property

1 to be sold, a statement of the amount of the privilege taxes, penalties and  
2 costs, the name of the manufacturer and the further statement that, unless  
3 the privilege taxes, penalties and costs are paid on or before the time fixed  
4 in the notice for the sale, the property, or so much thereof as may be nec-  
5 essary, will be sold in accordance with law and the notice.

6 **“SECTION 341.** ORS 473.110 is amended to read:

7 “473.110. At the sale, the property shall be sold by the Oregon Liquor  
8 Control **and Cannabis** Commission or by its duly authorized agent in ac-  
9 cordance with law and the notice. The commission shall deliver to the pur-  
10 chaser a bill of sale for the personal property, and a deed for any real  
11 property so sold. The bill of sale or deed vests title in the purchaser. The  
12 unsold portion of any property seized under ORS 473.100 may be left at the  
13 place of sale at the risk of the manufacturer. If upon any such sale, the  
14 money received exceeds the amount of all privilege taxes, penalties and costs  
15 due the state from the manufacturer, the excess shall be returned to the  
16 manufacturer, and a receipt therefor obtained. However, if any person having  
17 an interest in or lien upon the property has filed with the commission, prior  
18 to the sale, notice of interest or lien, the commission shall withhold any such  
19 excess pending a determination of the rights of the respective parties thereto  
20 by a court of competent jurisdiction. If the receipt of the manufacturer is  
21 not available, the commission shall deposit such excess money with the State  
22 Treasurer, as trustee for the owner, subject to the order of the manufacturer,  
23 the heirs, successors or assigns of the manufacturer.

24 **“SECTION 342.** ORS 473.120 is amended to read:

25 “473.120. (1) The Oregon Liquor Control **and Cannabis** Commission shall  
26 immediately transmit notice of the delinquency mentioned in ORS 473.100 to  
27 the Attorney General. The Attorney General shall at once proceed to collect  
28 all sums due to the state from the manufacturer under this chapter by  
29 bringing suit against the necessary parties to effect forfeiture of the bonds  
30 of the manufacturer, reducing any deficiency to judgment against the man-

1 manufacturer.

2 “(2) The remedies of the state provided in ORS 473.090 to 473.120 are cu-  
3 mulative and no action taken by the commission or Attorney General con-  
4 stitutes an election on the part of the state or any of its officers to pursue  
5 one remedy to the exclusion of any other remedy provided in this chapter.

6 “**SECTION 343.** ORS 473.130 is amended to read:

7 “473.130. In any suit brought to enforce the rights of the state, the as-  
8 sessment made by the Oregon Liquor Control **and Cannabis** Commission  
9 under ORS 473.080, or a copy of so much thereof as is applicable in such suit,  
10 duly certified by the commission and showing unpaid privilege taxes assessed  
11 against any manufacturer, is prima facie evidence:

12 “(1) Of the assessment of the privilege tax and the delinquency thereof.

13 “(2) Of the amount of the privilege tax, interest, penalties and costs due  
14 and unpaid to the state.

15 “(3) That the manufacturer is indebted to this state in the amount of such  
16 privilege tax, interest and penalties therein appearing unpaid.

17 “(4) That the law relating to assessment and levy of such privilege tax  
18 has been fully complied with by all persons required to perform administra-  
19 tive duties under this chapter.

20 “**SECTION 344.** ORS 473.140 is amended to read:

21 “473.140. Every manufacturer shall keep a complete and accurate record  
22 of all sales of wine, cider and malt beverages, a complete and accurate record  
23 of the number of gallons imported, produced, purchased, manufactured,  
24 brewed or fermented, and the date of importation, production, purchase,  
25 manufacturing, brewing or fermentation. The records shall be in such form  
26 and contain such other information as the Oregon Liquor Control **and**  
27 **Cannabis** Commission may prescribe. The commission, by rule or regulation,  
28 may require the delivery of statements by distributors to purchasers, with  
29 wine, cider and malt beverages, and prescribe the matters to be contained  
30 therein. Such records and statements shall be preserved by the distributor

1 and the purchaser respectively, for a period of two years, and shall be offered  
2 for inspection at any time upon oral or written demand by the commission  
3 or its duly authorized agents.

4 **SECTION 345.** ORS 473.150 is amended to read:

5 "473.150. (1) The Oregon Liquor Control **and Cannabis** Commission may,  
6 at any time, examine the books and records of a holder of a wine self-  
7 distribution permit or of any manufacturer of wine, cider or malt beverages,  
8 and may appoint auditors, investigators and other employees that the com-  
9 mission considers necessary to enforce its powers and perform its duties un-  
10 der this section.

11 "(2) Every holder of a wine self-distribution permit and every manufac-  
12 turer shall maintain and keep for two years all records, books and accounts  
13 required by this chapter and shall provide copies of those records, books and  
14 accounts to the commission when requested by the commission.

15 **SECTION 346.** ORS 473.160 is amended to read:

16 "473.160. Every person transporting wine, cider or malt beverages within  
17 this state, whether such transportation originates within or without this  
18 state, shall keep a true and accurate record of wine, cider or malt beverages  
19 transported. The record shall include ingredients which may be used in the  
20 manufacture, production, brewing or fermentation of the wine, cider or malt  
21 beverages, showing such facts with relation to those beverages, their ingre-  
22 dients and their transportation, as the Oregon Liquor Control **and Cannabis**  
23 Commission may require. The records shall be open to inspection by the  
24 representative of the commission at any time. The commission may require  
25 from any such person sworn returns of all or any part of the information  
26 shown by the records.

27 **SECTION 347.** ORS 473.170 is amended to read:

28 "473.170. (1) No manufacturer shall:

29 "(a) Fail to pay the privilege tax prescribed in ORS 473.030 and 473.035  
30 when it is due; or

1 “(b) Falsify the statement required by ORS 473.070.

2 “(2) No person shall:

3 “(a) Refuse to permit the Oregon Liquor Control **and Cannabis** Commis-  
4 sion or any of its representatives to make an inspection of the books and  
5 records authorized by ORS 473.140 to 473.160;

6 “(b) Fail to keep books of account prescribed by the commission or re-  
7 quired by this chapter;

8 “(c) Fail to preserve the books for two years for inspection of the com-  
9 mission; or

10 “(d) Alter, cancel or obliterate entries in the books of account for the  
11 purpose of falsifying any record required by this chapter to be made, main-  
12 tained or preserved.

13 “**SECTION 348.** ORS 474.115 is amended to read:

14 “474.115. (1) It shall be unlawful for any wholesaler to sell any brand of  
15 malt beverage in this state except in the territory described in an agreement  
16 with the manufacturer or importer authorizing sale by the wholesaler of the  
17 brand within a designated territory. Within the designated territory the  
18 wholesaler must service as provided in subsection (2) of this section all of  
19 the customers without discrimination. The territorial agreement must be in  
20 writing and must specify the brand or brands it covers. Where a manufac-  
21 turer or importer sells several brands, the agreement need not apply to all  
22 brands sold by the manufacturer or importer and may apply only to one  
23 brand. No manufacturer or importer shall provide by the written agreement  
24 for the distribution of a brand to more than one distributor for all or any  
25 part of the designated territory. All such agreements shall be filed with the  
26 Oregon Liquor Control **and Cannabis** Commission.

27 “(2) Every malt beverage wholesaler licensed shall service for the purpose  
28 of quality control all of the malt beverages it sells to its customers. Each  
29 wholesaler shall provide quality control services and comply with quality  
30 control standards as are specified in writing from time to time by the owner

1 of the trademark of the brand or brands of malt beverage if:

2 “(a) These services or standards are reasonable and are reasonably related  
3 to the maintenance of quality control; and

4 “(b) The wholesaler has received written notice of them.

5 “(3) An exclusive territorial designation in any agreement shall be  
6 changed only upon the written notice of the manufacturer and shall be filed  
7 pursuant to this section and ORS 474.105. The commission shall require the  
8 manufacturer to verify that the level of service within the designated terri-  
9 tory will not be affected by the change. The notice shall only be given after  
10 recognizing all rights of the wholesaler and duties of the manufacturer con-  
11 tained in any written agreement between them. However, if a wholesaler is  
12 prevented from servicing the territory due to fire, flood, labor disputes or  
13 other causes beyond reasonable control, and if first given permission by the  
14 duly licensed exclusive wholesaler of that area and approved by the man-  
15 ufacturer and the commission, another licensed wholesaler not within the  
16 designated area may sell the specified brands of malt beverage in that des-  
17 ignated area.

18 “(4)(a) It shall be unlawful for any wholesaler, either directly or indi-  
19 rectly, to grant or to afford a quantity discount in connection with the sale  
20 of malt beverages to any retailer in this state.

21 “(b) No provision of any agreement between any manufacturer and  
22 importer shall expressly or by implication, or in its operation, establish or  
23 maintain the resale price of any brand or brands of malt beverage by the  
24 wholesaler.

25 “**SECTION 349.** ORS 565.515 is amended to read:

26 “565.515. The state fair director may authorize the conducting of any  
27 lawful business at fairground properties and facilities. A business operating  
28 on fairground properties or facilities under authorization from the state fair  
29 director is not required to obtain a local business license for the operation.  
30 However, nothing in this section shall interfere with the laws of this state



1 requiring a license for the operation of a restaurant or requiring a license  
2 to be obtained from the Oregon Liquor Control **and Cannabis** Commission  
3 for the sale or distribution of alcoholic liquors.

4 **“SECTION 350.** ORS 576.768 is amended to read:

5 “576.768. (1) The report submitted by the Oregon Wine Board under ORS  
6 182.472 must include a description of the long term strategic plan created by  
7 the board and a description of the progress made in implementing the state-  
8 wide strategic objectives of the board during the most recent biennium.

9 “(2) Notwithstanding ORS 182.462:

10 “(a) The board shall prepare and submit annual plans and a budget re-  
11 commended by the board for promotion and for research during the next  
12 fiscal year.

13 “(b) The board shall adopt rules specifying the procedures, criteria and  
14 timelines for the preparation and approval of the annual plans and budget  
15 for promotion and for research.

16 “(c) The Director of the Oregon Business Development Department shall  
17 review the budget and plans submitted under this section. In reviewing the  
18 annual plans and budget, the director shall consider whether the information  
19 supplied by the board is factual and consistent with ORS 576.750 to 576.775  
20 and the positive development of the Oregon wine grape growing and wine  
21 making industries. The director shall either approve the budget and plans  
22 prior to the commencement of the next fiscal year or disapprove and return  
23 the budget and plans to the board with conditions necessary for approval  
24 prior to the commencement of the next fiscal year. In reviewing the budget  
25 and plans, the director may consult with and receive coordinated support  
26 from:

27 “(A) The State Department of Agriculture;

28 “(B) The Oregon Tourism Commission;

29 “(C) Oregon State University;

30 “(D) The Office of Community Colleges and Workforce Development; and

1 “(E) The Oregon Liquor Control **and Cannabis** Commission.

2 “**SECTION 351.** ORS 576.771 is amended to read:

3 “576.771. (1) If a person selling or providing grape product to a winery  
4 performs part of the processing function of a winery, the person shall report  
5 the sale or provision of the grape product and pay the tax imposed under  
6 ORS 473.045 (5).

7 “(2) A person or winery required to pay a tax under ORS 473.045 (5) shall  
8 keep accurate records sufficient to enable the Oregon Liquor Control **and**  
9 **Cannabis** Commission to determine by inspection and audit the accuracy of  
10 the taxes paid or due the Oregon Wine Board and of reports made or due to  
11 the commission.

12 “(3) The commission or a designee of the commission may inspect and  
13 audit the records referred to in subsection (2) of this section for the purpose  
14 referred to in subsection (2) of this section.

15 “(4) A person or winery may not refuse to permit an inspection and audit  
16 under subsection (3) of this section during business hours.

17 “(5) In addition to the penalties prescribed in ORS 473.992, a person or  
18 winery that delays transmittal of tax payments under ORS 473.045 (5) beyond  
19 the due date specified in ORS 473.045 shall pay five percent of the overdue  
20 amount for the first full or partial month of delay and one percent of the  
21 overdue amount for each full or partial month of delay thereafter.

22 “(6) If a winery willfully refuses to turn over tax moneys withheld under  
23 ORS 473.045 (5), the winery shall pay an additional amount equal to twice  
24 the amount of the tax moneys not turned over.

25 “**SECTION 352.** ORS 659A.320 is amended to read:

26 “659A.320. (1) Except as provided in subsection (2) of this section, it is  
27 an unlawful employment practice for an employer to obtain or use for em-  
28 ployment purposes information contained in the credit history of an appli-  
29 cant for employment or an employee, or to refuse to hire, discharge, demote,  
30 suspend, retaliate or otherwise discriminate against an applicant or an em-

1 ployee with regard to promotion, compensation or the terms, conditions or  
2 privileges of employment based on information in the credit history of the  
3 applicant or employee.

4 “(2) Subsection (1) of this section does not apply to:

5 “(a) Employers that are federally insured banks or credit unions;

6 “(b) Employers that are required by state or federal law to use individual  
7 credit history for employment purposes;

8 “(c) The application for employment or the employment of a public safety  
9 officer who will be or who is:

10 “(A) A member of a law enforcement unit;

11 “(B) Employed as a peace officer commissioned by a city, port, school  
12 district, mass transit district, county, university under ORS 352.121 or  
13 353.125, Indian reservation, the Superintendent of State Police under ORS  
14 181A.340, the Criminal Justice Division of the Department of Justice, the  
15 Oregon State Lottery Commission or the Governor or employed as a regula-  
16 tory specialist by the Oregon Liquor Control **and Cannabis** Commission; and

17 “(C) Responsible for enforcing the criminal laws of this state or laws or  
18 ordinances related to airport security; or

19 “(d) The obtainment or use by an employer of information in the credit  
20 history of an applicant or employee because the information is substantially  
21 job-related and the employer’s reasons for the use of such information are  
22 disclosed to the employee or prospective employee in writing.

23 “(3) An employee or an applicant for employment may file a complaint  
24 under ORS 659A.820 for violations of this section and may bring a civil  
25 action under ORS 659A.885 and recover the relief as provided by ORS  
26 659A.885 (1) and (2).

27 “(4) As used in this section, ‘credit history’ means any written or other  
28 communication of any information by a consumer reporting agency that  
29 bears on a consumer’s creditworthiness, credit standing or credit capacity.

30 “**SECTION 353.** ORS 802.250 is amended to read:

1 "802.250. (1) An eligible public employee may request that any driver or  
2 vehicle record kept by the Department of Transportation that contains or is  
3 required to contain the eligible employee's residence address contain instead  
4 the address of the public agency employing the eligible employee. A request  
5 under this section shall:

6 "(a) Be in a form specified by the department that provides for verifica-  
7 tion of the eligible employee's employment.

8 "(b) Contain verification by the employing public agency of the eligible  
9 employee's employment with the public agency.

10 "(2) Upon receipt of a request and verification under subsection (1) of this  
11 section, the department shall remove the eligible employee's residence ad-  
12 dress from its records, if necessary, and substitute therefor the address of the  
13 public agency employing the eligible employee. The department shall indicate  
14 on the records that the address shown is an employment address. While the  
15 request is in effect, the eligible employee may enter the address of the public  
16 agency employing the eligible employee on any driver or vehicle form issued  
17 by the department that requires an address.

18 "(3) A public agency that verifies an eligible employee's employment un-  
19 der subsection (1) of this section shall notify the department within 30 days  
20 if the eligible employee ceases to be employed by the public agency. The el-  
21 ible employee shall notify the department of a change of address as pro-  
22 vided in ORS 803.220 or 807.560.

23 "(4) If an eligible employee is killed in the line of duty, a person who is  
24 a household member of the eligible employee may request that any driver or  
25 vehicle record kept by the department that contains or is required to contain  
26 the household member's residence address continue to contain the address  
27 of the public agency that employed the eligible employee for up to four years  
28 after the date of the death of the eligible employee. On or before the date  
29 on which the four-year period ends, the household member shall notify the  
30 department of a change of address as provided in ORS 803.220 or 807.560. A

1 request under this subsection shall be in a form specified by the department.

2 “(5) As used in this section, ‘eligible employee’ means:

3 “(a) A member of the State Board of Parole and Post-Prison Supervision.

4 “(b) The Director of the Department of Corrections and an employee of  
5 an institution defined in ORS 421.005 as Department of Corrections insti-  
6 tutions, whose duties, as assigned by the superintendent, include the custody  
7 of persons committed to the custody of or transferred to the institution.

8 “(c) A parole and probation officer employed by the Department of Cor-  
9 rections and an employee of the Department of Corrections Release Center  
10 whose duties, as assigned by the Chief of the Release Center, include the  
11 custody of persons committed to the custody of or transferred to the Release  
12 Center.

13 “(d) A police officer appointed under ORS 276.021 or 276.023.

14 “(e) An employee of the State Department of Agriculture who is classified  
15 as a brand inspector by the Director of Agriculture.

16 “(f) An investigator of the Criminal Justice Division of the Department  
17 of Justice.

18 “(g) A corrections officer as defined in ORS 181A.355.

19 “(h) A federal officer. As used in this paragraph, ‘federal officer’ means  
20 a special agent or law enforcement officer employed by:

21 “(A) The Federal Bureau of Investigation;

22 “(B) The United States Secret Service;

23 “(C) The United States Citizenship and Immigration Services;

24 “(D) The United States Marshals Service;

25 “(E) The Drug Enforcement Administration;

26 “(F) The United States Postal Service;

27 “(G) The United States Customs and Border Protection;

28 “(H) The United States General Services Administration;

29 “(I) The United States Department of Agriculture;

30 “(J) The Bureau of Alcohol, Tobacco, Firearms and Explosives;

1       “(K) The Internal Revenue Service;

2       “(L) The United States Department of the Interior; or

3       “(M) Any federal agency if the person is empowered to effect an arrest

4 with or without warrant for violations of the United States Code and is au-

5 thorized to carry firearms in the performance of duty.

6       “(i) An employee of the Department of Human Services or the Oregon

7 Health Authority whose duties include personal contact with clients or pa-

8 tients of the department or the authority.

9       “(j) Any judge of a court of this state.

10       “(k) An employee of the Oregon Youth Authority whose duties include

11 personal contact with persons committed to the legal or physical custody of

12 the authority.

13       “(L) A district attorney, as defined in ORS 131.005, or deputy district at-

14 torney.

15       “(m) An employee who provides educational services to persons who are

16 clients or patients of the Department of Human Services or the Oregon

17 Health Authority, who are under the jurisdiction of the Psychiatric Security

18 Review Board or who are under the custody or supervision of the Department

19 of Corrections, the State Board of Parole and Post-Prison Supervision, a

20 community corrections agency, the Oregon Youth Authority or a juvenile

21 department. As used in this paragraph, ‘employee who provides educational

22 services’ means a person who provides instruction, or services related to the

23 instruction, of a subject usually taught in an elementary school, a secondary

24 school or a community college or who provides special education and related

25 services in other than a school setting and who works for:

26       “(A) An education service district or a community college district; or

27       “(B) A state officer, board, commission, bureau, department or division in

28 the executive branch of state government that provides educational services.

29       “(n) An employee of the Oregon Liquor Control **and Cannabis** Commis-

30 sion who is:

1 “(A) A regulatory specialist; or

2 “(B) A regulatory manager.

3 “(o) A police officer as defined in ORS 801.395.

4 “(p) An employee whose duties include personal contact with criminal  
5 offenders and who is employed by a law enforcement unit, as defined in ORS  
6 181A.355.

7 “(q) A civil code enforcement officer, as defined in ORS 192.501.

8 “**SECTION 354.** Section 4, chapter 106, Oregon Laws 2013, is amended to  
9 read:

10 “**Sec. 4.** Report. No later than March 1 of each odd-numbered year, the  
11 Oregon Liquor Control **and Cannabis** Commission shall submit a report to  
12 the Legislative Assembly regarding beverage container redemption centers  
13 approved pursuant to the provisions of ORS 459A.737. The report must in-  
14 clude, for the two previous calendar years:

15 “(1) The number of beverage containers that are returned for refund value  
16 as a percentage of the total number of beverage containers sold in this state.

17 “(2) The number of beverage container redemption centers operating in  
18 this state and the number of redemption centers for which applications are  
19 pending with the commission.

20 “(3) The number of beverage containers that are returned for refund value  
21 in areas designated by the commission and the number of beverage contain-  
22 ers returned for refund value in each area in the year before the beverage  
23 container redemption center began operation.

24 “(4) The number of beverage containers that are returned for refund value  
25 to beverage container redemption centers in this state and the number of  
26 beverage containers that are returned for refund value to dealers in this  
27 state.

28 “**SECTION 355.** Section 1, chapter 221, Oregon Laws 2015, is amended to  
29 read:

30 “**Sec. 1.** (1) As used in this section, ‘tax-exempt’ means recognized as

1 tax-exempt under section 501(c) of the Internal Revenue Code.

2 “(2) A tax-exempt nonprofit organization may supply to the Oregon Liquor  
3 Control **and Cannabis** Commission copies of informational materials about  
4 human trafficking. The organization may not charge the commission for the  
5 materials. The form of the materials may include, but need not be limited to,  
6 adhesive stickers. The materials may not include information on topics other  
7 than human trafficking. The materials must be limited in content to objec-  
8 tively verifiable information, except that the materials may include logos,  
9 symbols, graphics or similar devices and may include a cover letter to com-  
10 mission licensees to urge the licensees to post the adhesive materials or  
11 other materials at the licensees’ premises.

12 “(3) Except as provided in this subsection, if a tax-exempt nonprofit or-  
13 ganization supplies the commission with informational materials as described  
14 in subsection (2) of this section, the commission shall include a copy of the  
15 materials with each license renewal notice that the commission sends to an  
16 on-premises sales, off-premises sales or brewery-public house licensee. The  
17 number of copies of the materials that the commission sends to licensees may  
18 not exceed the number of copies that the organization supplies to the com-  
19 mission. If the commission determines that the informational materials have  
20 offensive or inappropriate content, the commission may refuse to include the  
21 materials with license renewal notices or otherwise assist in distributing the  
22 materials.

23  
24 **“OPERATIVE DATES**

25  
26 **“SECTION 356. (1) Sections 18, 21, 123 and 158 to 161 of this 2017 Act**  
27 **and the amendments to statutes and session law by sections 154 to 156,**  
28 **162 and 163 of this 2017 Act become operative on January 1, 2018.**

29 **“(2) The Oregon Liquor Control Commission and the Oregon Health**  
30 **Authority may take any action before the operative date specified in**



1 subsection (1) of this section that is necessary to enable the commis-  
2 sion and authority to exercise, on and after the operative date speci-  
3 fied in subsection (1) of this section, all the duties, powers and  
4 functions conferred on the commission and authority by sections 18,  
5 21, 123 and 158 to 161 of this 2017 Act and the amendments to statutes  
6 and session law by sections 154 to 156, 162 and 163 of this 2017 Act.

7 **“SECTION 357. (1)** Section 24 of this 2017 Act, the amendments to  
8 section 18 of this 2017 Act by section 22 of this 2017 Act, the amend-  
9 ments to statutes and session law by sections 25 to 42, 125 to 130 and  
10 164 to 177 of this 2017 Act and the repeal of statutes and session law  
11 by sections 43, 131 and 178 of this 2017 Act become operative on March  
12 30, 2019.

13 **“(2)** The Oregon Liquor Control Commission, the Oregon Health  
14 Authority and the Medical Use of Cannabis Board may take any action  
15 before the operative date specified in subsection (1) of this section that  
16 is necessary to enable the commission, authority and board to exer-  
17 cise, on and after the operative date specified in subsection (1) of this  
18 section, all the duties, powers and functions conferred on the com-  
19 mission, authority and board by section 24 of this 2017 Act, the  
20 amendments to section 18 of this 2017 Act by section 22 of this 2017  
21 Act, the amendments to statutes and session law by sections 25 to 42,  
22 125 to 130 and 164 to 177 of this 2017 Act and the repeal of statutes and  
23 session law by sections 43, 131 and 178 of this 2017 Act.

24  
25 **“UNIT CAPTIONS**

26  
27 **“SECTION 358.** The unit captions used in this 2017 Act are provided  
28 only for the convenience of the reader and do not become part of the  
29 statutory law of this state or express any legislative intent in the  
30 enactment of this 2017 Act.

